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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA
Monday, May 6, 2024

Doors Open: 8:00 A.M.
Meeting Starts: 8:15 A.M.

In-Person Participation
County Administration Center
1600 Pacific Highway, Room 302
San Diego, California

Video-Teleconference Participation
https://www.zoom.us/join
Meeting ID 895 6767 7168 | Passcode 508649
(669) 900-9128

Video Viewing Only
@sandiegolafco9909

San Diego LAFCO		
Commissioner	**Appointing Authority**	**Affiliation**
Chair Stephen Whitburn	Mayor of the City of San Diego	City of San Diego
Vice Chair Barry Willis	Independent Special Districts	Alpine Fire Protection
Immediate Past Chair Jim Desmond	Board of Supervisors	County of San Diego
Joel Anderson	Board of Supervisors	County of San Diego
Kristi Becker	Cities Selection Committee	City of Solana Beach
Jo MacKenzie	Independent Special Districts	Vista Irrigation
Dane White	Cities Selection Committee	City of Escondido
Harry Mathis	Commission	General Public
Alternate David A. Drake	Independent Special Districts	Rincon del Diablo MWD
Alternate Vacant	Commission	General Public
Alternate John McCann	Cities Selection Committee	City of Chula Vista
Alternative Nora Vargas	Board of Supervisors	County of San Diego
Alternate Marni von Wilpert	Mayor of the City of San Diego	City of San Diego

Participation Instructions:

In person attendance by the public is welcomed. LAFCO meets in Room 302 in the County Administration Center (1600 Pacific Highway). Three-hour visitor parking is available using the Ash Street entrance. To provide comments on any item, please turn in a speakers slip to LAFCO staff before the item commences.

Remote participation by video or telephone is welcomed through Zoom by following these instructions.

Comments by Video	Comments by Telephone
1. Click or type the link found at the top of the agenda	1. Dial + 1-669-900-9128
2. Type the Meeting ID identified on the top of this agenda followed by the Passcode	2. Dial the Meeting ID identified at the top of the agenda followed by the Passcode
3. Click the raise hand icon	3. Dial *9 to raise your hand
4. LAFCO will announce your name as it appears when it is your turn to speak	4. LAFCO will call out the last 4 digits of your phone number when it is your turn to speak
5. Click the speaker icon to unmute to speak	5. Dial *6 to unmute yourself

All comments – whether provided in person or remotely (video and telephone) – are limited to three minutes for individuals and five minutes for agencies and community organizations. The Chair may adjust the time allowance as they deem appropriate in managing the Commission's business.

Remote participation by e-mail is also welcomed by sending comments to Acting Commission Clerk Michaela Peters at michaela.peters@sdcounty.ca.gov.

- All e-mails received before 3:00 P.M. one business day before the meeting will be forwarded to the Commission and posted online prior to the start of the meeting. These comments will also be referenced at the meeting.

- All e-mails received after 3:00 P.M. one business day before the meeting and up until the conclusion of the item by the Commission will be noted for the record by LAFCO staff with a good-faith summary and subsequently posted online.

Public Accommodations:

Assistance for the disabled is available by contacting LAFCO staff prior to the meeting. To the extent possible, accommodation requests should be submitted at least 72 hours in advance.

Spanish language translation services are readily available at LAFCO meetings. Translation services covering other languages may be made available upon request at least 72 hours prior to the meeting.

Contact Information:

Michaela Peters
Analyst I
Acting Commission Clerk
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T: 619-321-3380
F: 619-404-6508
E: michaela.peters@sdcounty.ca.gov

1. **8:15 A.M. – CALL TO ORDER BY CHAIR**

   a) **Roll Call of Commissioners Present**

   b) **Pledge of Allegiance**

2. **STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE.**

3. **CLOSED SESSION**

   a) **Conference with Legal Counsel--Anticipated Litigation:**
   Pursuant to Government Code Section 54956.9(d)(3)): Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9 related to San Diego Unified Port District. (One case.)

4. **AGENDA REVIEW**
   The Executive Officer will summarize the agenda as well as to advise of any requested changes. The Chair will also consider requests from Commissioners.

5. **PUBLIC COMMENT AND**
   OPPORTUNITY FOR PUBLIC TO REQUEST DISCUSSION ON CONSENT ITEMS
   Opportunity for members of the public to speak to the Commission on any subject matter within the Commission's growth management duties/interests but not on an item listed on the agenda. Three-minute limit. This is also an opportunity for the public to request the Commission pull an item listed on the consent calendar for discussion.

6. **CONSENT ITEMS**
   All items calendared as consent are considered ministerial and subject to a single motion approval. The Chair will entertain requests by Commissioners to pull any items for discussion.

   a) **Approval of Meeting Minutes for March 4, 2024 (action)**
   The Commission will consider action minutes prepared by the Acting Commission Clerk for the March 4, 2024 meeting. Recommendation to approve as presented. (Pages 7-18)

   b) **Commission Ratification |**
   Recorded Payments for February and March 2024 (action)
   The Commission will review a report identifying all payments made and received for February and March 2024. Recommendation to ratify payments as presented. (Pages 19-28)

   c) **Results of Protest Hearing |**
   Conditionally Approved "City of Carlsbad Change of Organization" Detachment from Leucadia Wastewater District and Concurrent Sphere of Influence Action (CO23-09) (action)
   The Commission will receive the results of the protest hearing held for the "City of Carlsbad Change of Organization," which was conditionally approved by the Commission in February 2024 and involves the detachment of three non-contiguous areas within the City of Carlsbad from the Leucadia Wastewater District (WD). The noticed protest hearing was held on April 3rd. No protest was filed at the close of the hearing. The protest hearing results are being presented for the Commission to formally receive and file. (Pages 29-40)

CONSENT ITEMS CONTINUED…

d) Progress Report on the Adopted Workplan (action)
The Commission will receive a progress report on accomplishing the 30 projects included in the adopted workplan for 2023-2024. The report is being presented to the Commission to receive and file with the opportunity to identify potential amendments for future consideration. (Pages 41-44)

e) Report on Active Proposals and Related Activities (information)
The Commission will receive a status report on the 26 active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. The item is for information and concurrently satisfies LAFCO's reporting requirement involving petition-initiated proposals. (Pages 45-56)

7. PUBLIC HEARING ITEMS |
COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS
Public hearing items require expanded public notification per provisions in State law or have been voluntarily scheduled by the Executive Officer to ensure opportunity for public input. All public hearing items require verbal disclosures by Commissions regarding any material communications.

a) Proposed "Sky Ranch Change of Organization" |
Detachment from Helix Water District and Conforming Sphere Amendment (action)
The Commission 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. (Pages 57-86)

b) Proposed Final Workplan and Budget for 2024-2025 (action)
The Commission will consider recommendations in adopting a final workplan and budget for 2024-2025. Both items return following their draft adoption in March and subsequent public review – including presentations to the Cities and Special Districts Advisory Committees. The workplan remains materially unchanged in outlining 30 specific projects in priority order and headlined by continuing municipal service reviews on wholesale water service providers (No. 1a) and healthcare districts (No. 1b). The final workplan informs the proposed final budget and has been revised from the draft to include additional monies to salaries and benefits – specifically $0.025 million as detailed – and results in an updated proposed total of $2.912 million in matching expenses and revenues. The operating portion of expenses tallies $2.428 million and reflects a 7.4% increase above the current fiscal year and largely involves …

Agenda Item 7b Continued…

inflationary adjustments. Local agencies' apportionments continue to represent nine-tenths of all operating revenues and are set to increase in line with the rise in operating expenses at 7.4%. (Pages 87-100)

c) **Municipal Service Review |**
Draft Report on Municipal Service Review on the Oceanside Region (Continued)
The Executive Officer has continued this voluntarily noticed hearing item to the June 3, 2024 meeting. This continuance will provide staff additional time to address technical comments received during the administrative review by the three affected agencies (City of Oceanside, Oceanside Small Craft Harbor District, and Morro Hills Community Services District). There is no associated agenda report with this item.

8. BUSINESS CALENDAR
Business items involve regulatory, planning, or other items that do not require a noticed hearing.

a) **Merits of Request for Reconsideration |**
March 4th Approvals Determining the San Diego Unified Port District is Subject to San Diego LAFCO Oversight and Related Authorizations (action)
The Commission will consider the merits of a request for reconsideration from the San Diego Unified Port District involving approvals made at the March 4, 2024 meeting under Agenda Item No. 8a. The Port is requesting the Commission agree to reconsider its determinations the Port is an independent special district subject to LAFCO oversight. Although the Port does not qualify as an affected agency or person under statute or policy to make the request for reasons detailed, the Chair has agreed to sponsor item as a courtesy. Staff recommends the Commission consider the merits of the request under the LAFCO Rule 3.4(2) criteria and approve or deny. If the request is approved, the March 4th approvals are tallied, and the Commission will take up the reconsideration at its June 3rd meeting. Staff recommends denial. (Pages 101-172)

b) **Proposed Policy on Out-of-Agency Services (action)**
The Commission will consider approving a policy to govern outside service approvals for cities and special districts. The item is part of LAFCO's adopted workplan and most recently reviewed by the Commission in October 2023 before separate presentations were made to the Cities and Special Districts Advisory Committees in December 2023 and March 2024, respectively. The version before the Commission reflects feedback generated since October and continues to be premised on providing clear rules of engagement in implementing Government Code Section 56133 and its provisions requiring cities and districts to first request and receive approval from LAFCOs before providing out-of-agency services by contracts. Staff recommends approval of the policy with any desired changes along with setting an immediate effective date. (Pages 173-184)

c) **Outreach and Education Plan Update | Sustainable Agricultural Lands Conservation Planning Grant 2.0 (information)**
will receive an update on its ongoing SALC planning grant – i.e., "SALC 2.0" – in partnership with the County of San Diego's Planning and Development Services (PDS). This update has been prepared in response to a request made by public members and the Commission at the March meeting and specifically to outline past and current outreach strategies for SALC 2.0. The County of San Diego's Planning and Development Services (PDS) is leading the outreach and education plan component of current grant work in conjunction with Rick Engineering – as an outside outreach consultant. The update is for information and provides an opportunity for the Commission to ask questions or provide related feedback. (Pages 185-188)

d) **Presentation | Update on Municipal Service Review on Healthcare Districts (information)**
will receive a presentation on activities underway as part of the scheduled two-part municipal service review on healthcare districts. The presentation serves as an update on the municipal service review given its high-priority placement on the workplan paired with recent related media coverage concerning operational changes involving two of the four affected districts. The update is being provided for information with the opportunity for the Commission to provide real-time feedback in line with the staff's current expectation of producing a draft on the first part of the municipal service review in early 2025. (Pages 189-192)

9. EXECUTIVE OFFICER REPORT

10. COMMISSIONER ANNOUNCEMENTS & REQUESTS FOR FUTURE ITEMS

11. ADJOURNMENT

Attest to Posting:

Michaela Peters
Acting Commission Clerk

6a

AGENDA REPORT
Consent | Action

May 6, 2024

TO: Commissioners

FROM: Michaela Peters, Interim Commission Clerk

SUBJECT: **Approval of Meeting Minutes | Regular Meeting of March 4, 2024**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on March 4, 2024. The minutes are in action form and being presented for formal Commission approval.

BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and – among other items – requires public agencies to maintain written minutes for qualifying meetings.

DISCUSSION

This item is for San Diego LAFCO to consider approving action minutes for the March 4, 2024, regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present except Vice Chair Barry Willis (District) and Joel Anderson (County).
- All alternate Commissioners were present except John McCann (City), Nora Vargas (County), and Marni von Wilpert (City of San Diego).

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

ANALYSIS

The attached draft minutes for the March 4, 2024, regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by the Commission Clerk. A video recording of the meeting has also been posted on the Commission's website (www.sdlafco.org).

RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the March 4, 2024, regular meeting as presented. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Approve the attached draft minutes prepared for the March 4, 2024, regular meeting with any requested corrections or clarifications.

Alternative Two:
Continue the item to the next regular meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,

Michaela Peters

Michaela Peters
Interim Commission Clerk

Attachment:

1) Draft Meeting Minutes for March 4, 2024

DRAFT MINUTES
SAN DIEGO LAFCO
March 4, 2024 REGULAR MEETING

1. 8:15 A.M. – CALL TO ORDER BY CHAIR

Item 1a
ROLL CALL

The regular meeting was called to order at 8:15 a.m. by Chair Whitburn. The Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present:	Kristi Becker, City of Solana Beach Jim Desmond, County of San Diego Jo MacKenzie, Vista Irrigation District Stephen Whitburn, City of San Diego (CHAIR) Dane White, City of Escondido
Alternates Present:	David Drake, Rincon del Diablo Municipal Water District Harry Mathis, Public (voting)
Members Absent:	Barry Willis (VICE CHAIR) Joel Anderson (regular) John McCann (alternate) Nora Vargas, County of San Diego (alternate) Marni von Wilpert, City of San Diego (alternate)

The Commission Clerk confirmed a quorum with seven voting members present with Alternate Commissioner Mathis voting in place of the vacant regular public seat and Alternate Commissioner Drake voting in place of Vice Chair Barry Willis. Also present at the time of roll call were the following LAFCO staff: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Local Government Analyst II Carolanne Ieromnimon; Local Government Analyst I Michaela Peters; and GIS Analyst Dieu Ngu.

The Assistant Executive Officer Priscilla Mumpower arrived at approximately 9:15 a.m.

Item 1b
PLEDGE OF ALLEGIANCE

Commissioner MacKenzie led the Pledge of Allegiance.

2. STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE

None.

3. COMMENDATIONS AND PRESENTATIONS

The Commission recognized former Commissioner Andy Vanderlaan for his 28 years of exemplary service to the Commission as regular public member.

4. AGENDA REVIEW

Chair Whitburn asked the Executive Officer if there were any requests to remove or rearrange items on the agenda. The Executive Officer responded no changes to the agenda are needed. The Executive Officer commented there were a few supplemental correspondence items regarding Item 8a and proceeded to briefly identify each with copies provided on the dais.

5. PUBLIC COMMENT AND RELATED ITEMS

Chair Whitburn invited anyone from the public to address the Commission on a matter not directly related to an agenda item. The Commission Clerk confirmed there were no registered speakers or live e-mail comments.

6. CONSENT ITEMS

Item 6a
Approval of Meeting Minutes for February 5, 2024 (action)
Item presented to approve draft action minutes prepared for the Commission's February 5, 2024 meeting. Recommendation to approve.

Item 6b
Commission Ratification | Recorded Payments for January 2024 (action)
Item presented to ratify recorded payments made and received by the Executive Officer for January 2024. Recommendation to ratify.

Item 6c
Temporary Appointment and Compensation Adjustment for Analyst Michaela Peters to Concurrently Serve as Commission Clerk (action)
Item presented to consider the temporary appointment and related compensation adjustment for Analyst Michaela Peters to concurrently serve as Commission Clerk on an interim basis retroactive to February 9, 2024. Recommendation to approve.

Item 6d
Progress Report on the Adopted Workplan (action)
Item presented to receive a progress report on accomplishing the 30 projects included in the adopted workplan for 2023-2024. Recommendation to formally receive and file with the opportunity to identify potential amendments for future consideration.

CONSENT ITEMS CONTINUED…

Item 6e
Report on Active Proposals and Related Activities (information)
Item presented to receive a status report on the 28 active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. Information only.

Item 6f
Report from University of California at Berkeley |
LAFCO and Water System Consolidations in California (information)
Item presented to receive a report prepared by the University of California at Berkeley addressing the relationship between State regulators and LAFCOs in achieving the State's interest in consolidating and otherwise remedying problems with small public water systems. Information only.

Item 6g
Update on Special District Election (information)
Item presented to receive an update on the scheduled election called by the Executive Officer to seat a special district board member to serve on the Commission via a new four-year term beginning May 6, 2024. The election involves one of the two voting seats dedicated to special districts and presently held by Commissioner MacKenzie. Information only.

**

Commissioner Drake motioned with a second from Commissioner White to approve the consent calendar with staff recommendations (Alternative One) as presented.

Roll call requested:

AYES:	Becker, Desmond, Drake, MacKenzie, Mathis (voting), Whitburn, White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

7. PUBLIC HEARING ITEMS |
COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS

Item 7a
Proposed "Tucker – Valley Road Reorganization" |
Annexation to National City with Concurrent Detachments from South Bay Irrigation District, Bonita-Sunnyside Fire Protection District, and County Service Area No. 135 and Related Sphere of Influence Amendment (action)
Item presented to consider a reorganization proposal filed by landowner petition with the principal action to annex approximately 2.16 unincorporated acres in the Bonita community to National City. A secondary action to detach the affected territory from South Bay Irrigation District, Bonita-Sunnyside Fire Protection District, and County Service Area No.135 are also (…)

PUBLIC HEARING ITEMS CONTINUED…

Item 7a Continued

proposed. The affected territory comprises two legal parcels that lie entirely within the sphere of influence for National City. The proposal's purpose is to facilitate the planned development of a minor subdivision consisting of 10 single-family residences known as the "Valley View Development Project". Staff recommends conditional approval of the proposal as submitted along with a conforming sphere of influence removal action for Bonita-Sunnyside FPD's sphere, and a municipal service review waiver under L-106. It is also recommended the Commission waive protest proceedings and make findings under the California Environmental Quality Act (CEQA) as detailed. The affected parcels are 591-100-27 and 591-100-31.

Chair Whitburn invited any disclosures from Commissioners on material ex parte communications. No disclosures were reported.

Local Government Analyst II Carolanne Ieromnimon provided the staff presentation and detailed the reasons for the recommendations.

Chair Whitburn opened the hearing and invited questions and comments from the Commissioners. A brief discussion followed on the dais.

At the request of Chair Whitburn, the Commission Clerk confirmed there were requests from audience members to speak. It was also confirmed no requests to speak were online or any live e-mail comments. The Chair proceeded to close the hearing and invited a motion.

Commissioner Desmond motioned with a second from Commissioner Becker to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), MacKenzie, Mathis (voting), Whitburn, and White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

Item 7b
Proposed Draft Workplan and Budget for 2024-2025 (action)
Item presented to consider recommendations in adopting a proposed draft workplan and budget for 2024-2025. The draft workplan outlines 30 activities in priority order and is headlined by continuing municipal service reviews on wholesale water service providers and healthcare districts as well as grant work evaluating economic conditions for certain agricultural crops. The draft workplan informs the draft budget, which totals $2.887 million in matching expenses and revenues. More than four-fifths of total expenses –$2.403 million– covers operating costs and represents an increase of 6.3% and largely ties to inflationary (…)

PUBLIC HEARING ITEMS CONTINUED…

Item 7b Continued

adjustments plus targeted enhancements as detailed. Adoption of the draft workplan and budget will precede a formal public review and conclude with final actions in May.

Chair Whitburn invited any disclosures from Commissioners on material ex parte communications. No disclosures were reported.

Executive Officer Keene Simonds provided the staff presentation.

Chair Whitburn opened the hearing and invited questions and comments from the Commissioners. A discussion followed on the dais and included detailed responses from Analyst II Carolanne Ieromnimon and LAFCO Consultant Adam Wilson on workplan inquiries.

At the request of Chair Whitburn, the Commission Clerk confirmed there were requests from audience members to speak. It was also confirmed no requests to speak were online or any live e-mail comments. The Chair proceeded to close the hearing and invited a motion.

**

Chair Whitburn motioned with a second from Commissioner MacKenzie to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), MacKenzie, Mathis (voting), Whitburn, and White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

8. BUSINESS ITEMS

Item 8a
Final Administrative Assessment |
Commission Oversight Duties and Port of San Diego (action)
Item presented to receive a final administrative assessment on LAFCO's oversight duties as they relate to the Port of San Diego – formally the San Diego Unified Port District. The assessment fulfills a request by the Commission to evaluate whether the Port is subject to LAFCO similar to other special districts in San Diego County. The assessment concludes the Port is subject to LAFCO oversight as an independent special district in the performance of local governmental and proprietary functions. It is recommended the Commission accept the assessment and approve a conforming policy statement. Alternatives also presented. (…)

Executive Officer Keene Simonds and Consultant Chris Cate provided the staff presentation along with input from Outside Counsel DeeAnne Gillick. Mr. Simonds also referenced the supplemental items received on the item and noted during the agenda review.

Chair Whitburn invited public comments on the topic with the following persons addressing the Commission in person:

- Interim President and CEO of the Port of San Diego Randa Coniglio
- Coronado Resident Laura Wilkinson-Sinton
- National City Resident and Councilmember Marcus Brown

At the request of Chair Whitburn, the Commission Clerk confirmed there were no other requests from audience members to speak. It was also confirmed no requests to speak were online or any live e-mail comments. The Chair proceeded to invite Commission discussion.

Commission discussion followed along with staff responses – including input from LAFCO Consultant Chris Cate.

**

Commissioner Becker motioned with a second from Commissioner Drake to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), MacKenzie, Mathis (voting), Whitburn, and White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

Item 8b
Proposed Policy Update |
LAFCO Personnel Policies and Procedures (action)
Item presented to review a proposed policy update to the personnel policies and procedures. The proposed update ties to the adopted workplan and is prepared with the assistance of LAFCO's contract human resources advisor – Regional Government Services Authority. The Commission reviewed a draft version at its December 2023 meeting with feedback for staff to further refine certain employer-employee relationships – including telework provisions and related liability protections. The proposed update incorporates these and other refinements and edits as detailed and presented for Commission approval with any changes.

LAFCO Assistant Executive Officer Priscilla Mumpower provided the staff presentation.

(…)

BUSINESS ITEMS CONTINUED…

Item 8b

At the request of Chair Whitburn, the Commission Clerk confirmed there were no requests from audience members to speak. It was also confirmed no requests to speak were online or any live e-mail comments. The Chair proceeded to invite Commission discussion.

A brief discussion followed by Commissioners with concerns expressed by Commissioner MacKenzie on specific topics.

**

Commissioner Desmond motioned with a second from Commissioner Becker to approve the staff recommendation (Alternative One) as listed in the agenda report.

Commission discussion followed. No action.

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), Mathis (voting), Whitburn, and White
NOES:	MacKenzie
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 6-1.

Item 8c
Appointment of a Regular Public Member (action)
Item presented to consider making an appointment to fill the vacated term of the regular public member position. The term became vacated on January 19, 2024 with the resignation of Andy Vanderlaan. The unexpired term extends through April 2025. The item has been noticed to accommodate the Commission proceeding immediately with the appointment of the alternate – Harry Mathis – to assume the unexpired term and done so based on input provided at the February meeting. Alternative actions also presented.

At the request of Chair Whitburn, the Commission Clerk confirmed there were no requests from audience members to speak. It was also confirmed no requests to speak were online or any live e-mail comments.

**

Commissioner MacKenzie motioned with a second from Commissioner Drake to appoint Harry Mathis to regular public member to the existing term ending in May 2025.

Commission discussion followed – including comments by Commissioner Mathis.

(…)

BUSINESS ITEMS CONTINUED…

Item 8c

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), MacKenzie, Mathis (voting), Whitburn, White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

Item 8d
Contingency Options to Appoint New Alternate Public Member (action)
Item presented to consider available options and related preferences to fill the now vacated alternate public member position and provide direction to staff as needed.

LAFCO Executive Officer Keene Simonds provided the staff presentation and outlined possible options to the Commission based on practices from neighboring LAFCOs.

At the request of Chair Whitburn, the Commission Clerk confirmed there was one speaker request from the audience – Eillen Delaney. After Ms. Delany addressed the Commission, the Commission Clerk no other requests to speak had been received from the audience or online attendees. The Commission Clerk also confirmed there were no live e-mail comments.

The Chair proceeded to invite Commission discussion.

Commission discussion followed and proceeded to focus on creating an Ad Hoc committee to work with staff in recruiting, vetting, and interviewing candidates and forwarding a recommendation(s) to the full Commission.

**

Commissioner Drake motioned with a second from Chair Whitburn to create an ad hoc committee comprising the Chair, Vice Chair, and Commissioner White to recruit, screen, interview and recommend candidates for future consideration by the Commission.

Roll call requested:

AYES:	Becker, Desmond, Drake (voting), MacKenzie, Mathis (voting), Whitburn, and White
NOES:	None
ABSENT:	Anderson, Vargas, von Wilpert, and Willis
ABSTAINING:	None

The Commission Clerk confirmed the motion was approved 7-0.

BUSINESS ITEMS CONTINUED…

Item 8e
Grant Work Update |
Sustainable Agricultural Lands Conservation Planning Grant 2.0 (information)
Item presented to receive an update on its ongoing SALC planning grant – i.e., "SALC 2.0" -- in partnership with the County of San Diego's Planning and Development Services. SALC 2.0 entails conducting a comprehensive market analysis for both existing and emerging crops, alongside a gap analysis aimed at pinpointing areas where governmental intervention can help bridge economic gaps with a focus on aiding small-scale farming. The update is for information with an opportunity for the Commission to ask questions and provide feedback.

LAFCO Analyst Michaela Peters provided the staff presentation.

At the request of Chair Whitburn, the Commission Clerk confirmed there were no requests from the audience to speak on the item. The Commission Clerk did confirm online speakers were requesting to discuss the item. With the invitation from the Chair, the Commission received comments from the following online speakers:

request from the audience – Eillen Delaney. After Ms. Delany addressed the Commission, the Commission Clerk no other requests to speak had been received from the audience or online attendees.

- Craig Coolidge
- Eddie Grangetto

The Commission Clerk also confirmed live email comments had been received from Rick Carey and Norman J. Kachuck and proceeded to read these submittals into the record.

The Chair proceeded to invite Commission discussion. Discussion followed with consensus for staff to return at the next meeting to follow up on stakeholder outreach efforts to date.

9. EXECUTIVE OFFICER REPORT

Executive Officer Keene Simonds noted the following items:

- Congratulations forwarded to Commissioner MacKenzie for receiving the only solicited nomination to participate in an election to seat a special district member to a four-year term on LAFCO beginning in May 2024. Accordingly, an election has been canceled with Commissioner MacKenzie earning reappointment to a new term.

- The next scheduled regular meeting on April 1st falls on Cesar Chavez Day and will need to be rescheduled or canceled. Staff will work with the Chair on the topic with confirmation provided to the full Commission as soon as possible.

- The Cities and Special Districts Advisory Committees will be holding meetings on March 14 and 15, respectively.

10. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

None.

11. CLOSED SESSION

None.

12. ADJOURNMENT TO NEXT MEETING

With no further business Chair Whitburn adjourned the meeting at 10:58 a.m.

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its March 4, 2024 meeting.

ATTEST,



Michaela Peters
Interim Commission Clerk

6b

AGENDA REPORT
Consent | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Michaela Peters, Interim Commission Clerks

SUBJECT: **Commission Ratification |**
Recorded Payments for February and March 2024

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying payments made and received in February and March 2024. The payments cover all recorded transactions for the two months and include $0.368 million in total distributions made by the Executive Officer. Slightly more than two-thirds of all payments made tie to the County of San Diego for payroll reimbursements as well as charges for general overhead and information technology services. Most of the remaining payments made involve professional services involving consultant and legal usage. Payments received total $0.083 million and mostly involve new application fees.

BACKGROUND

Accounting Policies and Procedures

San Diego LAFCO's policies provide direction to the Executive Officer to maintain appropriate accounting controls for all financial transactions on behalf of the Commission. Spending allowances are specified and include bid procedures for financial transactions at or above $10,000 (unless waived due to unique circumstances) and separate Commission approval for any transactions at or above $125,000.

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

DISCUSSION

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer for February and March 2024. A detailing of these transactions is provided in Attachments One (February) and Two (March). The item separately provides the Commission the opportunity to provide feedback and inform potential changes in accounting procedures going forward.

ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer covering February and March 2024 total $368,051 with 67% – or $249,067– tied to transactions with the County of San Diego. This includes payroll reimbursements covering five pay periods as well as expenses for general overhead and information technology services. All expenses are consistent with the adopted budget. Revenues collected during the two months total $83,134 and are largely tied to collecting application fees.

RECOMMENDATION

It is recommended San Diego LAFCO ratify the payments made and received by the Executive Officer for January 2024 as presented. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Ratify the recorded payments received and made by the Executive Officer in February and March 2024 as shown in Attachments One and Two.

Alternative Two:
Continue to the next regular meeting and provide direction to staff as needed.

Alternative Three
Take no action.[1]

1 Payment ratifications are not required under LAFCO policy but are presented to the Commission per practice.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer:

Michaela Peters
Interim Commission Clerk

Attachments:

1) Recorded Transactions in February 2024
2) Recorded Transactions in March 2024

Blank for Photocopying

SAN DIEGO LAFCO
Expenses by Vendor Detail
February 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | 3MC Strategies LLC						
	2/21/2024	52370.F · Professional Services	12,650.00	Consultant Services | Financial Analysis	electronic	1000 · County Account (44595)
E | Ace Parking						
	2/21/2024	52530 · Office Lease	52.00	Parking Validations	electronic	1000 · County Account (44595)
	2/28/2024	52610 · Non-Travel/In-County	10.00	Parking for EO	debit card	3558 · SDCCU Checking
			62.00			
E | ADW Consulting LLC						
	2/21/2024	52370.F · Professional Services	11,100.00	Consultant Services | Planning + Governance Analysis	electronic	1000 · County Account (44595)
E | AEP						
	2/25/2024	52622 · Training/Registration Out-County	345.00	2024 AEP Conference (AW)	credit card	3558-60 · SDCCU Visa Credit Card
E | After Effects (Adobe)						
	2/11/2024	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	2/15/2024	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E | Agricultural Impact Associates LLC						
	2/2/2024	52304 · Miscellaneous	18,118.45	SALC Grant	electronic	1000 · County Account (44595)
E | Albertson's						
	2/13/2024	52330 · Office Expense	30.00	Staff Bonding Activity - ES	credit card	3558-60 · SDCCU Visa Credit Card
E | Amazon						
	2/23/2024	52344 · Stores Unallocated	458.77	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	2/27/2024	52330 · Office Expense	149.77	Annual Amazon Prime Membbership	credit card	3558-60 · SDCCU Visa Credit Card
			608.54			
E | Ambius						
	2/15/2024	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants	check	3558 · SDCCU Checking
E | ARCC						
	2/6/2024	52490 · Publications	50.00	NOE Fee | City of Carlsbad (CO23-09)	check	3558 · SDCCU Checking
	2/6/2024	52490 · Publications	50.00	NOE Fee | City of Carlsbad SOI (CO23-09)	check	3558 · SDCCU Checking
	2/26/2024	52490 · Publications	50.00	NOE Fee | Glen Abbey Memorial Park-Bonita Rd. (CO23-10)	check	3558 · SDCCU Checking
			150.00			
E | Assura Software						
	2/21/2024	52074 · Telecommunications	750.00	Website Hosting Support Services	electronic	1000 · County Account (44595)
	2/23/2024	52370.E · Professional Services	3,500.00	Website Hosting Set-up	electronic	1000 · County Account (44595)
			4,250.00			
E | AT&T Mobility						
	2/1/2024	52074 · Telecommunications	391.96	Monthly Cell Phone | LAFCO Staff	check	3558 · SDCCU Checking
	2/26/2024	52074 · Telecommunications	391.75	Monthly Cell Phone | LAFCO Staff	check	3558 · SDCCU Checking
			783.71			
E | Blue Barn Creative LLC						
	2/21/2024	52074 · Telecommunications	3,000.00	Video Recording Services	electronic	1000 · County Account (44595)
E | Bronx Pizza						
	2/7/2024	52610 · Non-Travel/In-County	100.00	Staff Bonding Activity - ES	cash	3558 · SDCCU Checking
E | CALAFCO						
	2/15/2024	52622 · Training/Registration Out-County	525.00	2024 CALAFCO Staff Workshop (MP)	check	3558 · SDCCU Checking
	2/15/2024	52622 · Training/Registration Out-County	525.00	2024 CALAFCO Staff Workshop (DN)	check	3558 · SDCCU Checking
			1,050.00			
E | Canva						
	2/8/2024	52270 · Memberships	12.99	Monthly Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Claim Jumper						
	2/7/2024	52610 · Non-Travel/In-County	44.62	EO & Counsel Debriefing	debit card	3558 · SDCCU Checking
E | Colantuono, Highsmith & Whatley						
	2/2/2024	52370.B · Professional Services	3,915.91	Commission Counsel Services	electronic	1000 · County Account (44595)
E | Corodata						
	2/26/2024	52330 · Office Expense	58.11	Document Storage	check	3558 · SDCCU Checking
E | County of San Diego						
	2/1/2024	52354 · Mail/Postage ISF	523.86	Mail/Postage Services	electronic	1000 · County Account (44595)
	2/1/2024	52178 · Vehicle Maintenance	139.87	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	2/1/2024	52182 · Vehicle Fuel	27.61	Vehicle Fuel	electronic	1000 · County Account (44595)
	2/1/2024	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	2/1/2024	52721 et al. · Communications (IT) Services	9,207.01	County IT Services (ITRACK)	electronic	1000 · County Account (44595)

SAN DIEGO LAFCO

Expenses by Vendor Detail

February 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
	2/2/2024	51110 et al. · Employee Payroll	43,481.71	Payroll | Pay Period 2024-16	electronic	1000 · County Account (44595)
	2/16/2024	51110 et al. · Employee Payroll	45,720.92	Payroll | Pay Period 2024-17	electronic	1000 · County Account (44595)
	2/29/2024	52550.B · County Overhead Costs	8,076.75	A-87 3rd Quarter	electronic	1000 · County Account (44595)
	2/29/2024	52550.B · County Overhead Costs	14.74	County Surcharge | A-87 3rd Quarter	electronic	1000 · County Account (44595)
			107,357.96			
E | CSDA San Diego Chapter						
	2/1/2024	52610 · Non-Travel/In-County	70.00	CSDA Quarterly Dinner Registration (CI)	check	3558 · SDCCU Checking
	2/8/2024	52610 · Non-Travel/In-County	70.00	CSDA Quarterly Dinner Registration (MP)	check	3558 · SDCCU Checking
			140.00			
E | Dollar Tree						
	2/11/2024	52330 · Office Expense	5.39	Staff Bonding Activity - ES	credit card	3558-60 · SDCCU Visa Credit Card
E | Fax Plus						
	2/8/2024	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E | Iron Mountain						
	2/28/2024	52330 · Office Expense	3.38	Document Storage	debit card	3558 · SDCCU Checking
E | Lazy Dog						
	2/4/2024	52610 · Non-Travel/In-County	68.75	EO & BW Debriefing	debit card	3558 · SDCCU Checking
E | Leaf & Cole						
	2/2/2024	52370.H · Professional Services	450.00	Accounting Services	electronic	1000 · County Account (44595)
	2/23/2024	52370.H · Professional Services	465.00	Accounting Services	electronic	1000 · County Account (44595)
			915.00			
E | Living Spaces						
	2/6/2024	52344 · Stores Unallocated	1,124.91	Lactation Room Furniture	credit card	3558-60 · SDCCU Visa Credit Card
E | Manchester Finaancial 5th Ave LP						
	2/2/2024	52530 · Office Lease	11,608.40	Office & Storage Rent	electronic	1000 · County Account (44595)
E| Michaela Peters						
	2/28/2024	52330 · Office Expense	88.32	Reimbursement for Commissioner Commendation	check	3558 · SDCCU Checking
E | Minuteman Press						
	2/26/2024	52330 · Office Expense	431.00	LAFCO Envelopes	check	3558 · SDCCU Checking
E | Oliver Coffee						
	2/14/2024	52610 · Non-Travel/In-County	17.96	AEO & CI Meeting	debit card	3558 · SDCCU Checking
E | Peterson Donuts						
	2/5/2024	52330 · Office Expense	53.75	Commission Meeting Refreshments	debit card	3558 · SDCCU Checking
E | QuickBooks						
	2/4/2024	52330 · Office Expense	90.00	Monthly Service for Online QuickBooks	debit card	3558 · SDCCU Checking
E | Ready Refresh						
	2/4/2024	52330 · Office Expense	57.15	Monthly Water Service	credit card	3558-60 · SDCCU Visa Credit Card
E | RGS						
	2/2/2024	52370 · Professional Services	329.23	HR Services	electronic	1000 · County Account (44595)
E | Sammy's Woodfire Pizza						
	2/23/2024	52610 · Non-Travel/In-County	121.79	EO, AEO, CC, JM Debriefing	debit card	3558 · SDCCU Checking
E | San Diego Union Tribune						
	2/15/2024	52490 · Publications	1,328.08	PHN | RO23-09	check	3558 · SDCCU Checking
E | Sloan Sakai Yeung & Wong LLP						
	2/2/2024	52370.B · Professional Services	295.00	Special Counsel Services	electronic	1000 · County Account (44595)
E | Southwest Airlines						
	2/15/2024	52622 · Training/Registration Out-County	237.95	Airfare | CALAFCO Staff Workshop (DN)	credit card	3558-60 · SDCCU Visa Credit Card
E | Starbucks						
	2/6/2024	52330 · Office Expense	40.00	Commission Meeting Refreshments	credit card	3558-60 · SDCCU Visa Credit Card
E | The Corner Drafthouse						
	2/22/2024	52610 · Non-Travel/In-County	230.02	Staff Lunch Meeting (ES Maternity Leave)	debit card	3558 · SDCCU Checking
E | The Market Place						
	2/13/2024	52610 · Non-Travel/In-County	12.13	Refreshments | ES Baby Shower	debit card	3558 · SDCCU Checking
E | The Toll Roads						
	2/6/2024	52610 · Non-Travel/In-County	6.12	Travel for ES	debit card	3558 · SDCCU Checking
E | The Westbean Coffee						
	2/15/2024	52610 · Non-Travel/In-County	15.39	AEO & MP Meeting	debit card	3558 · SDCCU Checking
E | Vistaprint						
	2/10/2024	52330 · Office Expense	252.00	Custom Office Supplies	debit card	3558 · SDCCU Checking

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Xerox						
	2/9/2024	52504 · Equipment Rental	280.19	Xerox Rental	electronic	1000 · County Account (44595)
E | YouTube						
	2/29/2024	52270 · Memberships	13.99	Monthly Streaming Support Services	debit card	3558 · SDCCU Checking
E | Zoom						
	2/4/2024	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	2/12/2024	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
EXPENSE TOTAL			181,792.16			
R | Benter						
	2/29/2024	46234 · Applications	1,921.50	Processing Fees (OAS24-04)	check	1000 · County Account (44595)
R | Clark & Green Associates						
	2/28/2024	52490 · Publications	50.00	Recording Fees (CO23-10)	check	3558 · SDCCU Checking
R | Donald A Bryant						
	2/16/2024	46234 · Applications	2,612.06	Processing Fees (OAS23-03)	check	1000 · County Account (44595)
R | GEM Industrial, Inc						
	2/29/2024	46234 · Applications	6,405.00	Processing Fees (CO23-15)	check	1000 · County Account (44595)
R | Keys Project LLC						
	2/16/2024	46234 · Applications	6,405.00	Processing Fees (CO24-01)	check	1000 · County Account (44595)
R | Padre Dam MWD						
	2/29/2024	46234 · Applications	13,738.73	Processing Fees (CO23-13)	check	1000 · County Account (44595)
R | State of California						
	2/29/2024	45281 · State Aid Agriculture	25,207.35	SALC Grant	check	1000 · County Account (44595)
R | Yuima MWD						
	2/16/2024	46234 · Applications	1,921.50	Processing Fees (OAS24-02)	check	1000 · County Account (44595)
REVENUE TOTAL			58,261.14			

Blank for Photocopying

SAN DIEGO LAFCO
Expenses by Vendor Detail
March 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | 3MC Strategies LLC						
	3/22/2024	52370.F · Professional Services	10,235.00	Consultant Services | Financial Analysis	electronic	1000 · County Account (44595)
E | Ace Parking						
	3/6/2024	52530 · Office Lease	960.00	Monthly Parking Rent	electronic	1000 · County Account (44595)
E | After Effects (Adobe)						
	3/10/2024	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	3/15/2024	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E | Amazon						
	3/27/2024	52344 · Stores Unallocated	33.39	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
E | Ambius						
	3/18/2024	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants	check	3558 · SDCCU Checking
E | ARCC (Assessor Recording County)						
	3/11/2024	52490 · Publications	50.00	NOE Fee | Tucker Valley Road (RO23-01)	check	3558 · SDCCU Checking
	3/11/2024	52490 · Publications	50.00	NOD Fee | Tucker Valley Road (RO23-01)	check	3558 · SDCCU Checking
			100.00			
E | Assura Software						
	3/21/2024	52074 · Telecommunications	1,350.00	Website Hosting Support Services	electronic	1000 · County Account (44595)
E | Blue Barn Creative LLC						
	3/22/2024	52074 · Telecommunications	3,000.00	Video Recording Services	electronic	1000 · County Account (44595)
E | Brian J. Brady						
	3/22/2024	52370.F · Professional Services	7,472.50	Consultant Services | Water-Wastewater Analysis	electronic	1000 · County Account (44595)
E | Canva						
	3/7/2024	52270 · Memberships	12.99	Monthly Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Carolanne Ieromnimon						
	3/11/2024	52330 · Office Expense	45.00	Reimbursement for Commission Meeting Refreshments	check	3558 · SDCCU Checking
E | Chase Design Inc						
	3/22/2024	52334 · Printing	337.50	Workplan and Budget for FY24	electronic	1000 · County Account (44595)
E | Claim Jumper						
	3/4/2024	52610 · Non-Travel/In-County	74.43	EO & Counsel Debriefing	debit card	3558 · SDCCU Checking
E | Colantuono, Highsmith & Whatley						
	3/6/2024	52370.B · Professional Services	3,399.00	Commission Counsel Services	electronic	1000 · County Account (44595)
E | Copy 2 Copy						
	3/18/2024	52334 · Printing	134.90	PTE Brochure	check	3558 · SDCCU Checking
E | Corodata						
	3/18/2024	52330 · Office Expense	58.11	Document Storage	check	3558 · SDCCU Checking
E | County of San Diego						
	3/1/2024	52354 · Mail/Postage ISF	523.86	Mail/Postage Services	electronic	1000 · County Account (44595)
	3/1/2024	52178 · Vehicle Maintenance	139.87	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	3/1/2024	52182 · Vehicle Fuel	52.47	Vehicle Fuel	electronic	1000 · County Account (44595)
	3/1/2024	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	3/1/2024	52721 et al. · Communications (IT) Services	7,065.58	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	3/1/2024	51110 et al. · Employee Payroll	44,312.51	Payroll | Pay Period 2024-16	electronic	1000 · County Account (44595)
	3/15/2024	51110 et al. · Employee Payroll	47,465.30	Payroll | Pay Period 2024-17	electronic	1000 · County Account (44595)
	3/29/2024	51110 et al. · Employee Payroll	41,979.31	Payroll | Pay Period 2024-18	electronic	1000 · County Account (44595)
	3/6/2024	52504 · Equipment Rental	3.02	County Surcharge | Xerox	electronic	1000 · County Account (44595)
			141,707.41			
E | Dunkin' Donuts						
	3/15/2024	52330 · Office Expense	38.30	SDAC Meeting Refreshments	debit card	3558 · SDCCU Checking
E | Fax Plus						
	3/6/2024	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E | H Brothers						
	3/1/2024	52330 · Office Expense	39.90	Office Supplies	debit card	3558 · SDCCU Checking
E | Historic Aerials						
	3/26/2024	52490 · Publications	120.00	Photo Stock	debit card	3558 · SDCCU Checking
E | Manchester Finaancial 5th Ave LP						
	3/6/2024	52530 · Office Lease	11,450.42	Office & Storage Rent	electronic	1000 · County Account (44595)
E | Peterson Donuts						

SAN DIEGO LAFCO

Expenses by Vendor Detail

March 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
	3/4/2024	52330 · Office Expense	53.75	Commission Meeting Refreshments	debit card	3558 · SDCCU Checking
E | QuickBooks						
	3/4/2024	52330 · Office Expense	90.00	Monthly Service for Online QuickBooks	debit card	3558 · SDCCU Checking
E | Ready Refresh						
	3/5/2024	52330 · Office Expense	70.79	Monthly Water Service	credit card	3558-60 · SDCCU Visa Credit Card
E | RGS						
	3/6/2024	52370 · Professional Services	151.67	HR Services	electronic	1000 · County Account (44595)
E | San Diego Padres						
	3/25/2024	52610 · Non-Travel/In-County	283.70	Quarterly Staff Activity	credit card	3558-60 · SDCCU Visa Credit Card
E | San Diego Union Tribune						
	3/18/2024	52490 · Publications	4,078.00	PHNs | RO23-01 & FY24 Budget	check	3558 · SDCCU Checking
E | Target						
	3/27/2024	52610 · Non-Travel/In-County	16.15	Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
E | The Market Place						
	3/12/2024	52610 · Non-Travel/In-County	111.62	Office Supplies	debit card	3558 · SDCCU Checking
E | Xerox						
	3/13/2024	52504 · Equipment Rental	343.39	Xerox Rental	electronic	1000 · County Account (44595)
E | YouTube						
	3/29/2024	52270 · Memberships	13.99	Monthly Streaming Support Services	debit card	3558 · SDCCU Checking
E | Zoom						
	3/4/2024	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	3/12/2024	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
EXPENSE TOTAL			186,259.20			
R | County of San Diego						
	3/31/2024	49200 · Interest & Dividends	1,392.87	Interest Payment to Account 46725	electronic	1001 · Committed - Stablization (min. balance of $250k)
	3/31/2024	49200 · Interest & Dividends	2,958.55	Interest Payment to Account 46726	electronic	1002 · Committed - Opportunity (min. balance of $300k)
	3/31/2024	49200 · Interest & Dividends	826.09	Interest Payment to Account 46727	electronic	1003 · Assigned - Executive Officer (up to $125k)
			5,177.51			
R | O'Ryan Plumbing Inc						
	3/13/2024	46234 · Applications	6,405.00	Processing Fees (CO24-05)	check	3558 · SDCCU Checking
R | Rainbow MWD						
	3/13/2024	46234 · Applications	610.00	Extension Fees (RO20-04)	check	3558 · SDCCU Checking
R | Rosario Martinez Iannacone						
	3/13/2024	46234 · Applications	480.37	Processing Fees (OAS24-06)	check	3558 · SDCCU Checking
R | University Enterprises, Inc.						
	3/13/2024	46234 · Applications	12,200.00	Processing Fees (RO24-07)	check	3558 · SDCCU Checking
REVENUE TOTAL			24,872.88			

6c

AGENDA REPORT
Consent | Action

May 6, 2024

TO: Commissioners

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

SUBJECT: **Results of Protest Hearing | Conditionally Approved "City of Carlsbad Change of Organization" Detachment from Leucadia Wastewater District and Concurrent Sphere of Influence Action (LAFCO File No. CO23-09)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of the protest hearing held for the "City of Carlsbad Change of Organization." This change of organization was conditionally approved by the Commission in February 2024 and involves the detachment of three non-contiguous areas within the City of Carlsbad from the Leucadia Wastewater District (WD). The noticed protest hearing was held on April 3rd. No protest was filed at the close of the hearing. The protest hearing results are being presented for the Commission to formally receive and file.

BACKGROUND

Proposal Summary

San Diego LAFCO received a change of organization proposal filed by the City of Carlsbad in July 2023 seeking Commission approval to detach approximately 202 acres of incorporated territory from the Leucadia WD. The affected territory comprises three non-contiguous inhabited areas developed largely with residential and commercial uses along with public

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

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, Alpine Fire Protection
Jo Mackenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

open space. The affected territory consists of 50 legal parcels that are further defined with 277 unique assessor parcels with the latter reflecting several properties that are under tenancy in common ownership agreements. The estimated resident population within the affected territory is 1,235. The proposal's purpose is to eliminate an existing boundary overlap between Carlsbad and Leucadia WD and in doing so make explicit the City is the sole authorized provider of public wastewater services going forward. A map of the affected territory is provided in Attachment One.

Commission Action

On February 5, 2024, San Diego LAFCO held a noticed public hearing to consider the change of organization proposal filed by the City of Carlsbad. The Commission proceeded to conditionally approve the change of organization with no modifications. The Commission also delegated protest hearings to the Executive Officer as allowed under statute and local policy.

DISCUSSION

This item is for San Diego LAFCO to receive the results of the protest hearing delegated to the Executive Officer involving the Commission's earlier approval of the subject change of organization proposal as required under the policy. Protest for the proposal opened on Monday, February 12, 2024, and concluded at a hearing held on April 3, 2024, at the Carlsbad Municipal Water District. Notice of the hearing was provided in the manner allowed under statute and included publishing a 1/8th page advertisement in the San Diego Union-Tribune as well as voluntary mailed notices to all landowners and registered voters within the affected territory. No written protest was received through the end of the hearing from affected landowners or registered voters. A video recording of the protest hearing is available online at the LAFCO website: www.sdlafco.org.

With the preceding results in mind, the Executive Officer has proceeded to execute a confirming resolution ordering the change of organization. The change of organization will become final once all terms have been satisfied.

ANALYSIS

San Diego LAFCO's approved detachment of approximately 202 incorporated acres within the City of Carlsbad from the Leucadia WD has cleared its last substantive threshold. All remaining actions necessary to record and enact the change of organization are ministerial.[1]

[1] San Diego LAFCO policy directs the Executive Officer to proceed and issue an ordering resolution at the conclusion of the protest hearing process so long as the results do not require the proposal to be terminated or confirmed by an election. The Executive Officer is also responsible for informing the Commission of the protest results resulting in an action being ordered at the next regular meeting. [Policy on Conducting Protest Hearings Section 4(h)].

RECOMMENDATION

It is recommended San Diego LAFCO formally receive the results of the protest hearing held on the subject change of organization as detailed above and consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO and can be accomplished with a single motion:

Alternative One (recommended):
Receive and file the protest results for the "City of Carlsbad Change of Organization" (CO23-09) as presented.

Alternative Two:
Continue the item to a future meeting and provide related direction to staff as needed.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer,

Michaela Peters

Michaela Peters
Analyst I

Attachments:
1) Map of the Affected Territory
2) Copy of Advertisement in UT

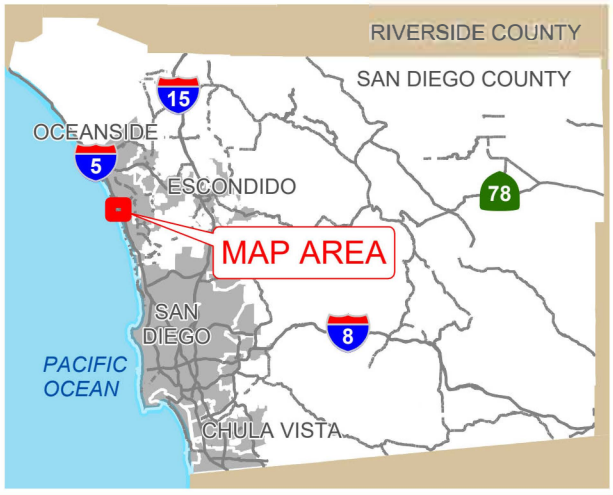
Blank for Photocopying

Map 1: Proposal Area 1

Agenda Item No. 6c | Attachment One







CO23-09 "CITY OF CARLSBAD CHANGE OF ORGANIZATION" | DETACHMENT FROM LEUCADIA WASTEWATER DISTRICT AND CONCURRENT SPHERE OF INFLUENCE ACTION

- Leucadia WD SOI
- Proposal Area
- Leucadia WD

SOI = Sphere of Influence

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.

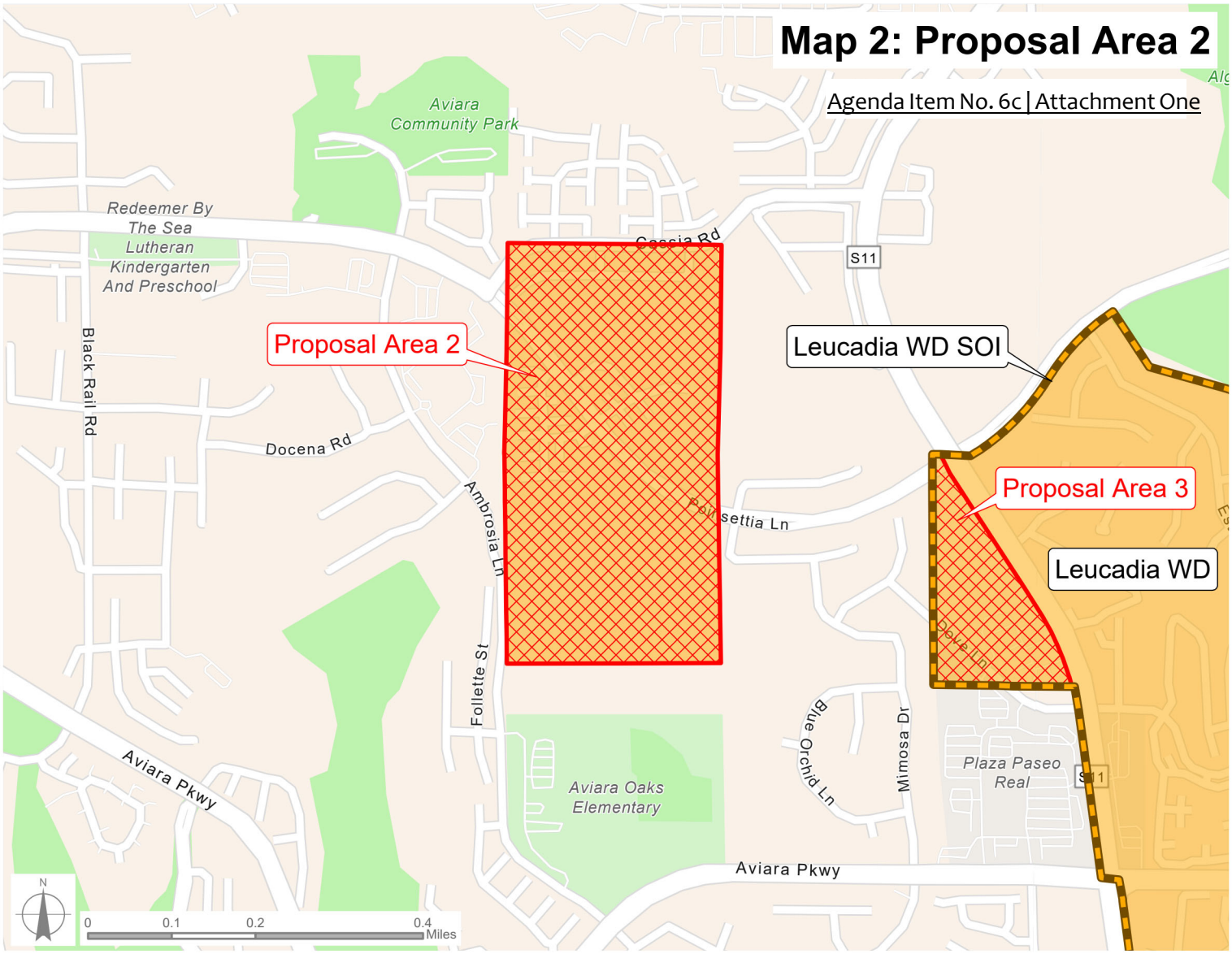
G:\GIS\Vicinity_Maps\agendamaps2023\23-09 LeucadiaWD Area 1.aprx

Created by Dieu Ngu -- 1/2/2024

Blank for Photocopying

Map 2: Proposal Area 2

Agenda Item No. 6c | Attachment One







CO23-09

"CITY OF CARLSBAD CHANGE OF ORGANIZATION" | DETACHMENT FROM LEUCADIA WASTEWATER DISTRICT AND CONCURRENT SPHERE OF INFLUENCE ACTION

- Leucadia WD SOI
- Proposal Area
- Leucadia WD

SOI = Sphere of Influence

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.

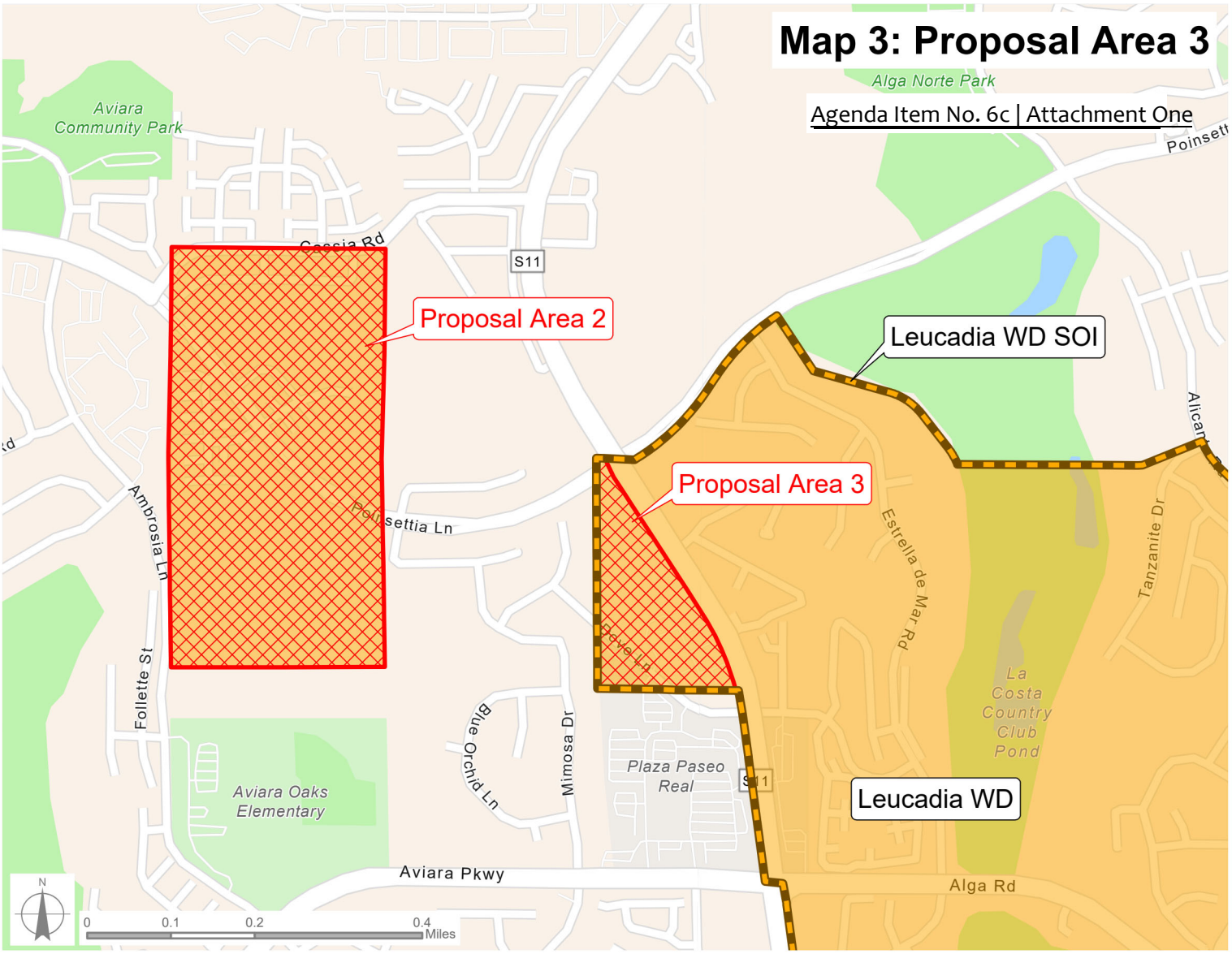
G:\GIS\Vicinity_Maps\agendamaps2023\23-09 LeucadiaWD Area 2.aprx

Created by Dieu Ngu -- 1/2[illegible]5024

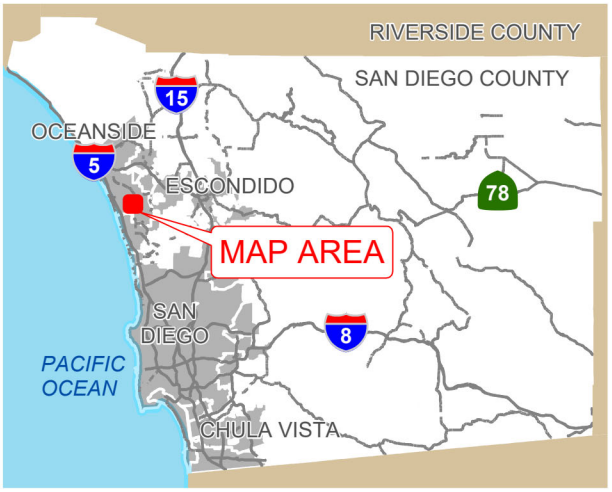
Blank for Photocopying

Map 3: Proposal Area 3

Agenda Item No. 6c | Attachment One







CO23-09

"CITY OF CARLSBAD CHANGE OF ORGANIZATION" | DETACHMENT FROM LEUCADIA WASTEWATER DISTRICT AND CONCURRENT SPHERE OF INFLUENCE ACTION

- Leucadia WD SOI
- Proposal Area
- Leucadia WD

SOI = Sphere of Influence

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.

G:\GIS\Vicinity_Maps\agendamaps2023\23-09 LeucadiaWD Area 3.aprx

Created by Dieu Ngu -- 1/2/2024

Blank for Photocopying

Legal Notice | Legal Notice | Legal Notice | Legal Notice

San Diego County
Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

NOTICE OF SCHEDULED PROTEST HEARING
"CITY OF CARLSBAD CHANGE OF ORGANIZATION"
LAFCO FILE NO. CO23-09

Wednesday, April 3, 2024 at 9:00 A.M.
Carlsbad Municipal Water District – Water Board Room
5950 El Camino Real, Carlsbad, CA 92008

The above-listed change of organization was initiated by resolution of the City of Carlsbad and involves the detachment of 3 non-contiguous areas from the Leucadia Wastewater District. The purpose of the proposal is to eliminate an existing overlap between Carlsbad and Leucadia Wastewater District and in doing so better align the agencies' respective wastewater service areas consistent with their current and planned infrastructure. The proposal was conditionally approved by San Diego LAFCO at a noticed public hearing on February 5, 2024. A summary description of the areas making up the affected territory follows.

"Area 1" represents the portion of the affected territory within Carlsbad's southern coastline along Carlsbad Boulevard between Island Way and San Marcos Creek.

"Area 2" represents the portion of the affected territory within the Voscana neighborhood located off Poinsettia Lane and its intersection with Artemisia Court.

"Area 3" represents the portion of the affected territory within the La Costa neighborhood located off of Dove Lane near its intersection with El Camino Real.

Additional details of the proposal – including a map showing all three areas comprising the affected territory – is available online at www.sdlafco.org by accessing the "Meetings" page and staff reports for the February 5, 2024 meeting.

Commencing on Monday, February 12, 2024, San Diego LAFCO will accept written protests filed by landowners and/or registered voters within the affected territory up and until the close of the protest hearing set for Wednesday, April 3, 2024 at the above listed time and place. Written protest filed before the formal hearing may be submitted by mail/courier,facsimile, or email so long as itis received by LAFCOby 5:00 p.m. on Tuesday, April 2, 2024. Otherwise, all protests must be submitted in person at the noticed hearing. Each written protest shall state whether it is made by a qualifying landowner or registered voter. It shall also identify the property location or assessor's parcel number(s) (landowner) or residence address and be signed and dated. All signatures must be dated after the publication of the protest hearing notice.

Protest forms for landowners and registered voters are available at www.sdlafco.org. All questions should be directed to LAFCO Analyst II Carolanne Ieromnimon by telephone at 619-321-3382 or by email at carolanne.ieromnimon@sdcounty.ca.gov.

PUBLISHED: February 12, 2024

Blank for Photocopying

6d

AGENDA REPORT
Consent | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer

SUBJECT: **Progress Report on the 2023-2024 Workplan**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing the 30 priority projects set in the adopted workplan for 2023-2024. Two-thirds – 21 of 30 – of all priority projects have been substantively initiated through the close of April with 12 either complete or nearing completion. The report is being presented to the Commission to receive and file with the opportunity to provide feedback and/or identify potential amendments for future consideration.

BACKGROUND

San Diego LAFCO's current fiscal year workplan was adopted at a noticed hearing held in May 2023. The workplan is a multi-year planning tool that is developed and updated annually. The current workplan includes 30 projects and is divided into two distinct categories – statutory and administrative – along with priority assignments set by the Commission. Internal amendments to reset priorities and advance the placement of municipal service reviews on the San Diego County Water Authority and healthcare districts were approved in August.

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103-6624
T 619.321.3380
www.sdlafco.org
lafco@sdcounty.ca.gov

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, City of Chula Vista
Chair Stephen Whitburn, City of San Diego
Marni von Wilpert, Alt., City of San Diego
Vice Chair Barry Willis, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

DISCUSSION

This item provides San Diego LAFCO with its regular progress report on workplan projects for the current fiscal year. This includes staff assigning one of four status categories to projects ranging from pending to complete and detailed in Attachment One.

ANALYSIS

San Diego LAFCO is generally proceeding as planned through the close of April and discussed as part of past updates. This includes an emphasis on addressing the Commission's high and medium-priority projects with 19 of the 20 related activities having advanced in some substantive manner. More than one-half – 11 of the 20 – of these higher-priority projects are either complete or near completion. This latter category is now highlighted by a commissioner onboarding packet (No. 4), scheduled municipal service review on the Oceanside region (No. 8), and white paper evaluating regional growth management agencies + policies (No. 16). No amendments are proposed at this time.

RECOMMENDATION

It is recommended San Diego LAFCO receive and file the item consistent with practice and identified as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Receive and file the item.

Alternative Two:
Continue consideration of the item and provide direction to staff as needed.

Alternate Three:
Take no action.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) 2023-2024 Workplan with Status Notations

ADOPTED WORKPLAN FOR FY2023-2024

As Amended

Priority	Level	Type	Project	Description	Status
Ongoing	...	Statutory	Applicant Proposals and Requests	Prioritize resources to address all applicant proposals and related requests	
Ongoing	...	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work	
Ongoing	...	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with quarterly updates to the Commission	
1	High	Statutory	MSR | CWA-MET	Initiate scheduled review of wholesale water suppliers – CWA (comprehensive) and MET (abbreviated)	
2	High	Statutory	MSR | Healthcare Districts	Initiate a comprehensive study of the four healthcare districts in San Diego County	
3	High	Administrative	Recruit, Hire + Support Staff	Ensure all 9.0 budgeted positions are filled in a timely manner with ongoing resource support	
4	High	Administrative	Commissioner Onboarding	Create onboarding resources and related training for new and continuing Commissioners	
5	High	Administrative	Online Accounting	Transition QuickBooks accounting from desktop to online platform + make use of public-facing features	
6	High	Administrative	Policy | Personnel: Part I	Develop and approve a scope of work to guide updates to personnel policies to reflect best practices	
7	High	Administrative	Policy | Personnel: Part II	Complete a comprehensive update to LAFCO's personnel policies	
8	High	Statutory	MSR | Oceanside Region	Complete the scheduled reviews of the City of Oceanside, Oceanside SC Harbor District, and Moreno Hills CSD	
9	High	Statutory	MSR | Carlsbad Region	Complete the scheduled reviews of the City of Carlsbad, Carlsbad MWD, and Leucadia WWD	
10	High	Administrative	SALC Planning Grant 2.0	Initiate a two-year grant (contracts, etc.) to expand SALC 1.0 to establish ag costs/revenues with gap analysis	
11	Medium	Administrative	RCD Ad Hoc Committee: Year Two	Approve the scope of work for Year Two activities and proceed accordingly toward completion	
12	Medium	Statutory	Policy | Out-of-Agency Services	Complete policy establishment to guide the approval process for out-of-agency services (G.C. 56133)	
13	Medium	Statutory	MSR | San Marcos Region	Complete the scheduled reviews of the City of San Marcos, Marcos FPD, & Vallecitos WD	
14	Medium	Statutory	MSR | Vista Region	Complete the scheduled reviews of the City of Vista, Vista ID, Vista FPD, & Buena SD	
15	Medium	Administrative	White Paper | Public Recreation Opportunities	Evaluate potential governance models involving San Diego-owned reservoirs in unincorporated areas	
16	Medium	Administrative	White Paper | Growth Management + Housing	Evaluate growth management policies + connectivity between LAFCO, County, and SANDAG	
17	Medium	Administrative	Special Districts Advisory Committee	Provide administrative support to the Advisory Committee and hold no less than three formal meetings in FY	
18	Medium	Administrative	Cities Advisory Committee	Provide administrative support to the Advisory Committee and hold no less than one formal meeting in FY	
19	Medium	Administrative	Website Content Expansion	Proceed with content expansion for the newly redesigned LAFCO website with multi-media enhancements	
20	Medium	Administrative	2022-2023 Audit	Complete outside audit of financial statements for FY2023	

Priority	Level	Type	Project	Description	Status
21	Low	Statutory	Legislative Proposal | G.C. 56133	Continue work to support amendment clarifying authority to determine out-of-agency service exemptions	
22	Low	Statutory	Policy | Applicant Procedures	Update and streamline application materials and establish protocols for terminating proposals	
23	Low	Statutory	MSR | Encinitas Region	Initiate a regional study covering the City of Encinitas + San Dieguito WD et al.	
24	Low	Statutory	MSR | Del Mar-Solana Beach Region	Initiate a regional study covering the Cities of Del Mar and Solana Beach + Santa Fe ID et al.	
25	Low	Statutory	Legislative Proposal | G.C. 56430	Sponsor and/or facilitate amendment establishing community engagement enhancements in MSR statute	
26	Low	Administrative	Service + Fiscal Indicators	Develop an online browser feature to depict service + fiscal indicators among local agencies in San Diego County	
27	Low	Administrative	White Paper | School Districts	Evaluate the scope and scale of school districts + their baseline capacities for reference in MSRs	
28	Low	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services	
29	Low	Administrative	Annual Local Agency Directory	Update and publish an annual local agency directory subject to LAFCO oversight	
30	Low	Administrative	White Paper | Community Choice Aggregations	Evaluate the scope and scale of CCAs and their operations in San Diego County and connectivity to LAFCO	
	Bullpen	Statutory	Policy Review | Island Annexations	Consider options to define "substantially surrounded" and provide related mapping services	
	Bullpen	Administrative	White Paper | Garbage Services	Evaluate the scope and scale of garbage collection services and possible governance alternatives	
	Bullpen	Administrative	White Paper | Homeless Services	Evaluate the scope and scale of homeless services and possible governance alternatives	
	Bullpen	Administrative	LAFCO Workshop	Organize a Commission Workshop to discuss core responsibilities + powers and implementing preferences	
	Bullpen	Administrative	Public Access Television	Broadcast LAFCO meetings on local government channels	
	Bullpen	Statutory	MSR | Pauma Valley Region	Initiate a regional study covering the north county special districts in the Pauma/Rincon communities	
	Bullpen	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service reviews and sphere of influence actions	
	Bullpen	Statutory	Policy | Fee Schedule	Review and update fee schedule to sync with current costs and related considerations	
	Bullpen	Statutory	Policy | CEQA Guidelines	Review and update existing implementing guidelines relative to current statutes and best practices	
	Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County's 28 Planning and or Sponsor Groups and directly engage as appropriate	
	Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information	
	Bullpen	Administrative	Local Agency Finder Tool	Develop an online feature for users to enter addresses to identify all overlapping local jurisdictions (cities and districts)	
	Bullpen	Administrative	Southern California LAFCOs	Participate in quarterly meetings with other Southern California LAFCOs and related projects and/or trainings	
	Bullpen	Administrative	CALAFCO	Participate in CALAFCO-sponsored programs and related training (conferences, workshops, committees, etc.)	
	Bullpen	Statutory	Policy | Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts' service functions and classes	
	Bullpen	Statutory	Escondido Region Governance Study	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD	
	Bullpen	Administrative	White Paper | JPAs	Evaluate the status of JPA filings in San Diego County relative to LAFCO's task in SB 1261	
	Bullpen	Statutory	Policy | Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current member interests/priorities	
	Bullpen	Statutory	Policy | Special Districts Advisory Committee	Coordinate with SDAC in updating bylaws and related procedures to sync with current member interests/priorities	

Complete | Near Complete | Underway | Pending

April 29, 2024

6e

AGENDA REPORT
Consent | Information

May 6, 2024

TO: Commissioners

FROM: Michaela Peters, Analyst I

SUBJECT: **Report on Active Proposals and Related Activities**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a status report on active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. The item is for information and concurrently satisfies LAFCO's reporting requirement involving petition-initiated proposals.

BACKGROUND

Processing Procedures and Timelines

LAFCO proceedings for jurisdictional changes are generally initiated by outside applicants through petitions (landowners or voters), and to a lesser degree by resolutions (local agencies). LAFCOs may also initiate jurisdictional changes to form, consolidate, or dissolve special districts if consistent with the recommendations of approved municipal service reviews. Most jurisdictional change filings take three to five months before they are scheduled for hearing. Applications for outside-of-agency service approvals – which are subject to separate procedures – generally take two months to process.

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

DISCUSSION

This item provides San Diego LAFCO with its regular update on active proposals on file. The item also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being filed with LAFCO in the near term based on discussions with local agencies. It also serves to concurrently satisfy the Commission's reporting requirement to provide notice on agendas involving jurisdictional changes initiated by petitions.[1]

There are currently 26 active proposals on file with LAFCO. This amount is divided between 20 proposals in administrative review and pending Commission hearing with the remaining six involving conditional approvals. Staff also identifies six pending proposal submittals based on ongoing communications with their proponents. All active and pending proposals are outlined in Attachment One.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the staff,

Michaela Peters

Michaela Peters
Analyst I

Attachment:

1) Active and Pending Proposals as of April 29, 2024

1 Government Code Section 56857 directs LAFCOs to provide notice on agendas of any proposal involving special districts that have been initiated by landowners or registered voters. The agenda notification starts a 60-day period in which the affected special districts may request termination of the proceedings due to financial or service-related concerns.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSAL APPLICATIONS | PENDING COMMISSION ACTION				
1	RO06-17	"Tobacco Road Reorganization" - City of Escondido: Annexation	Staff	Application submitted in March 2006 by landowner petition to annex six parcels to the City of Escondido. The affected territory comprises six parcels located along Tobacco Road. The application filing fulfilled an earlier Executive Officer approval in 2006 to authorize the City of Escondido to extend outside wastewater service to two of the six subject parcels due to failing septic systems. (The other four subject parcels are included in the proposal to provide connectivity to the existing City boundary.) The current number of residents within the affected territory is unknown. The application remains incomplete pending the submittal of additional documentation and related information to complete the administrative review. The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.
2	RO08-09	"South Mollison Ave-Snyder Reorganization" - City of El Cajon: Annexation	Staff	Application submitted in May 2008 by landowner petition for a proposed annexation to the City of El Cajon. The affected territory includes approximately 1.25 acres and is subject to a proposed multi-family residential project. It is unknown whether there are any current residents within the affected territory. The application remains incomplete pending the submittal of additional documentation and related information necessary to complete the administrative review. The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.
3	DA08-10	"Avocado Way-Potter Annexation" - Vallecitos WD: Annexation	Staff	Application submitted in May 2008 by landowner petition requesting annexation of to the Vallecitos Water District for purposes of receiving public wastewater services. The affected territory comprises two parcels developed with single-family residences located along Avocado Way. The number of current residents within the affected territory is unknown. The application remains incomplete pending the submittal of additional documentation and related information necessary to complete the administrative review. The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
4	RO08-15 SA08-15	"Crestlake Estates Reorganization" - City of Santee: Annexation - San Diego County SD: Annexation - Lakeside FPD: Annexation	Staff	Application submitted in May 2008 by landowner petition requesting a reorganization to accommodate wastewater, fire protection, and ambulance services for an approved Tentative Map allowing the development of 60 single-family residences. It is unknown if there are any current residents. The affected territory lies within all three subject agencies' spheres of influence: San Diego County Sanitation District; Lakeside Fire Protection District; and the City of Santee. The application remains incomplete pending the submittal of additional documentation and related information necessary to complete the administrative review. The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.
5	DA12-02	"Lorch Annexation" - Borrego WD: Annexation	Staff	Application submitted in March 2012 by landowner petition to annex approximately 9.4 acres to the Borrego Water District (WD) to provide water service to one parcel within the District's sphere. It is unknown how many residents are currently within the affected territory. Application deemed incomplete in an April 2012 status letter. A new status letter was sent in January 2018 stating the proposal would be considered abandoned unless notified otherwise. Borrego WD responded to the letter and has reinitiated discussions with the landowner regarding possible service terms. Discussions remain active.
6	DA16-10	"CSA 17 Harmony Grove Annexation" - CSA 17: Annexation	Staff	Application submitted in May 2016 by resolution from the County of San Diego to annex approximately 3,600 acres to County Service Area (CSA) No. 17 for ambulance service and done so as a cross-condition of the Commission dissolving CSA No. 107 in 2015. The affected territory is entirely unincorporated and comprises portions of the Elfin Forest and Harmony Grove communities with an estimated resident population of 29,995. The proposal remains incomplete due to a variety of reasons and is marked by opposition from the CSA No. 17 Advisory Committee. Staff continues to engage the County, Advisory Committee, and other stakeholders to fulfill the Commission's earlier directive. Discussions remain active.
7	RO16-11	"Rancho Hills Reorganization" - Rancho Santa Fe CSD: Annexation - Olivenhain MWD: Expansion of Latent Power Area - Olivenhain MWD: Latent Sphere Amendment	Michaela Peters	Application submitted in October 2016 to annex a portion of a 37-lot residential subdivision titled "Rancho Hills" to Rancho Santa Fe CSD for wastewater service. A concurrent latent power expansion for Olivenhain MWD is needed to accommodate sewer to the remaining project site. The proposal was deemed incomplete in a November 2016 status letter. With concurrence with the proponent, the application is administratively paused due to incomplete and pending receipt of additional documentation. Discussions remain active.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
8	RO19-04	"Ortega – Old Highway 80 Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in February 2019 by landowner petition to annex approximately 5.07 acres to the San Diego County Sanitation District for wastewater service. The affected territory comprises two parcels presently developed with single-family residences with an unknown number of residents. The purpose of the proposal is to connect sewer services for a proposed office/warehouse building development. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review. Discussions remain active.
9	SA19-26 RO19-26 OAS19-26	"Valiano - Eden Valley Reorganization" - City of Escondido: Extraterritorial Sewer - City of Escondido: Sphere Amendment - San Marcos FPD: Annexation - Rancho Fe FPD: Detachment - Rancho Fe FPD: Sphere Amendment	Michaela Peters	Application submitted in November 2019 jointly by landowner petition and the City of Escondido and involves a reorganization and outside-of-agency service agreement as part of the "Valiano" planned development in Harmony Grove. The reorganization involves the concurrent annexation of approximately 10.8 unincorporated acres to San Marcos FPD and detachment from Rancho Santa Fe FPD and related sphere amendments. The outside-of-agency service agreement approval request involves the extension of wastewater from the City of Escondido for approximately 82.9 unincorporated acres with related sphere amendments to add to Escondido and remove from San Marcos. The application is administratively paused due to incomplete and pending receipt of additional documentation – including the results of litigation against the underlying project. Discussions remain active.
10	CO21-09	"Otay Lakes Road Change of Organization" - City of Chula Vista: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition to annex approximately 1,870 acres of unincorporated territory to the City of Chula Vista. (The petitioners originally filed an application in October 2021 seeking approval to annex into the San Diego County Sanitation District. This previous application has since been withdrawn.) The affected territory comprises 6 parcels within the Baldwin and Moller communities and is presently undeveloped with no residents. The proposal is intended to facilitate the development of a 1,938 residential subdivision with various ancillary uses as part of the "Otay Ranch Resort Village 13" project. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant – including an agreement with LAFCO to proceed with a targeted/informing municipal service review. Discussions remain active.
11	CO22-04	"AJX Homes - Carmichael Change of Organization" - City of La Mesa: Annexation - City of La Mesa: Sphere Amendment - San Miguel FPD: detachment - San Miguel FPD: Sphere Amendment	Staff	Application submitted in February 2022 by landowner petition and involves annexation of approximately 0.3 acres to City of La Mesa for wastewater service. The affected territory is developed with a single-family residence and the landowner intends to update the existing site from a septic system to a public wastewater system. The application is administratively paused due to incomplete information and pending receipt of additional documentation from the proponent. Discussions remain active.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
12	RO22-11	"Tummala - Rincon MWD Reorganization" - Rincon del Diablo MWD: Annexation - Metropolitan Water District: Annexation - San Diego CWA: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition and involves annexation of approximately 20 acres of unincorporated territory to make available public water services. The affected territory is currently vacant and undeveloped. The proposal's purpose is to position the landowner to proceed in the future with a development plan with the County of San Diego. The submitted proposal application is incomplete pending receipt of additional documentation and related information. Discussions remain active.
13	CO23-11	"Nencini Associates Change of Organization" - San Diego County SD: Annexation	Staff	Application submitted in July 2023 by landowner petition and involves annexation of approximately 20.6 acres to the San Diego County Sanitation District (SD) for the primary purpose of establishing wastewater service. The affected territory is partially developed with one single-family residence, with plans to develop an additional 7 single-family residences through subdivision. Conditional approval for future annexation to the City of Chula Vista is recommended. The proposal is currently under administrative review and is considered incomplete at this time. Discussions remain active.
14	RO23-12	"Twin Oaks Valley Winery Reorganization" - Vallecitos WD: Annexation	Michaela Peters	Application submitted in September 2023 by landowner petition and involves annexation of approximately 4.35 acres to the Vallecitos Water District to establish wastewater services. The affected territory is developed with one single-family residence, with plans to develop a full-service winery – including a tasting room, wine production space, restroom(s), etc. The proposal is currently under administrative review with the expectation of expanding the scope to include detachment from Vista ID. Discussions remain active.
15	CO23-13	"Sky Ranch - Helix Water District Reorganization" - Helix WD: Detachment - Padre Dam MWD: Annexation	Michaela Peters	Application submitted in September 2023 by resolution of the Helix Water District to detach approximately 27 acres of land from the Helix Water District along with a conforming sphere of influence amendment. The affected territory presently comprises multiple single-family residences and multi-family residences with no additional plans for development. The proposal's purpose is to better align service providers consistent with existing infrastructure. The proposal is scheduled for consideration by the Commission at its May 6, 2024 meeting.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
16	CO23-15	"Macachlan - Old Highway 80 Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in December 2023 by landowner petition and involves annexation of approximately 0.60 acres to the San Diego County Sanitation District for the primary purpose of establishing wastewater service. The affected territory is currently undeveloped with plans of developing a commercial building and parking lot. The proposal is currently under administrative review with discussions remaining active.
17	CO24-01	"Keys Project LLC – Montemar Drive Change of Organization" - San Diego County SD: Annexation	Staff	Application submitted in January 2024 by landowner petition and involves annexation of approximately 1.5 acres to the San Diego County Sanitation District for the primary purpose of establishing wastewater service. The affected territory is presently developed with one uninhabitable single-family residence. The proposal's purpose is to accommodate the planned lot split and development of two new single-family residences. The proposal is currently under administrative review with discussions remaining active.
18	RO24-03	"Bryant – Felicita Road Reorganization" - City of Escondido: Annexation	Michaela Peters	Application submitted in January 2024 by landowner petition following an out-of-agency service agreement administratively approved by the Executive Officer on February 22, 2023. The purpose of this proposal is to formally establish wastewater services to a single-family residence totaling 0.4 acres after temporarily remedying a failing septic system. The proposal is currently under administrative review with discussions remaining active.
19	OAS24-04	"Benter – Alto Drive Out-of-Agency Service Agreement" - City of La Mesa: OAS	Michaela Peters	Application submitted in February 2024 by landowner petition and involves an outside-of-agency service agreement for wastewater service to accommodate the planned development of an ADU (and possible JADU in the future). The proposal is currently under administrative review with discussions remaining active.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
20	CO24-05	"O'Ryan – Calavo Street Change of Organization" - Otay WD: Annexation	Staff	Application submitted in February 2024 by landowner petition and involves annexation of approximately 0.13 acres to the Otay Water District for the primary purpose of establishing public wastewater service. The affected territory is presently undeveloped with plans to develop a single-family residence and an accompanying accessory dwelling unit (ADU). The proposal is currently under administrative review with active discussions.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSALS | POST COMMISSION ACTION				
21	SA16-20 LP16-20	"CSA 135 Islands Reorganization" - CSA 135 – LP Fire Area: Latent Powers Expansion - Bonita-Sunnyside FPD: Annexation - Lakeside FPD: Annexation - San Miguel FPD: Annexation - Ramona MWD: Annexation	Staff	Proposal submitted November 2016 by resolution of the San Diego County Fire Authority. Involved annexation of remaining unserved Islands 2, 3, and 4 via reorganization of local fire service territory among five local agencies: CSA 135; Bonita-Sunnyside FPD; Lakeside FPD; Ramona MWD; and San Miguel FPD. Reorganization involved annexation to the subject agencies and expansion of CSA No. 135's latent powers to provide fire protection and emergency medical services to three unincorporated and unserved island areas totaling approximately 21,048 acres. Conforming amendments to add the affected territory to the subject agencies' spheres of influence were also required. The reorganization proposal was approved February 4, 2018 and is now pending recordation once all terms are satisfied. A noticed protest hearing was held on March 13, 2019 at the LAFCO office. No protest was received by affected registered voters or landowners. Other terms remain pending.
22	LP(E)19-27	"Fallbrook PUD Latent Powers Expansion" - Activation: Park and Recreation - Activation: Street Lighting - Activation: Roads	Priscilla Mumpower	Application submitted in November 2019 by resolution from the Fallbrook Public Utility District (PUD) seeking approval to activate specified latent powers throughout its jurisdictional boundary and its 28,193 unincorporated acres. The estimated resident population within the affected territory is 33,986. Requested power activations involve park and recreation, street lighting, and roads with the former intended to supplement existing park and recreation services provided in the region by the County of San Diego via County Service Area No. 81. The proposal was approved by the Commission on April 4, 2022, and now pending recordation once all terms are satisfied. A noticed protest hearing was held on May 31, 2022 and continued to June 14, 2022 at the Fallbrook Public Utilities District. Not enough protest was received by affected registered voters or landowners. Other terms remain pending.
23	RO20-04	"Rainbow MWD - Eastern MWD Reorganization" - San Diego CWA: Detachment - Eastern MWD: Annexation - Eastern MWD: Sphere Action	Priscilla Mumpower	Application submitted April 2020 by resolution from the Rainbow Municipal Water District (MWD) to concurrently detach from the San Diego County Water Authority (CWA) and annex to the Eastern Municipal Water District (MWD). The affected territory spans approximately 50,857 acres covering the Rainbow and Bonsall communities with an estimated resident population of 22,130. The purpose of the proposal is to transfer the wholesale water supply provider for cost-savings. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal and its technical merits The proposal was approved by the Commission on July 10th, 2023 and now pending completion of terms and conditions as set forth by the Commission.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
24	CO22-20	"Camino De La Fuente - Wick Change of Organization" - San Diego County SD: Annexation	Carolanne Ieromnimon	Application submitted in November 2022 by landowner petition and involves annexation of approximately 35.3 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory is currently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan to grade the land for future industrial and outdoor storage uses. The proposal was approved by the Commission on October 2nd, 2023 and now pending completion of terms and conditions as set forth by the Commission.
25	CO23-09	"City of Carlsbad Change of Organization" - Leucadia WD: Detachment	Carolanne Ieromnimon	Application submitted in July 2023 by resolution from the City of Carlsbad to detach 99.0 acres of incorporated territory from the Leucadia Wastewater District. The affected territory is presently inhabited and developed with multiple residences with no plans for future development. The proposal purpose is to better utilize existing wastewater infrastructure provided by the City of Carlsbad in addition to helping correct an overlap between Leucadia WD and the City. The proposal was approved by the Commission on February 5th, 2024 and now pending completion of terms and conditions as set forth by the Commission.
26	RO23-01	"Tucker - Valley Road Reorganization" - National City: Annexation - South Bay ID: Detachment - Bonita FPD: Detachment - Bonita FPD: Sphere Amendment - CSA No. 135: Detachment	Carolanne Ieromnimon	Application submitted in November 2022 by landowner petition and involves annexation of approximately 2.16 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory contains two parcels, one presently developed with single-family residence and the other undeveloped. The proposal purpose is to accommodate the planned development of 10 single family residences and ancillary improvements known as the "Valley View Development Project". The proposal was approved by the Commission on March 4th, 2024 and now pending completion of terms and conditions as set forth by the Commission.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be directed to Keene Simonds)				
	Pending	"Harvest Hills Reorganization" - City of Escondido		This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido. Submittal to LAFCO anticipated for late 2020-2021 if approved by Escondido. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All the affected territory presently lies outside the adopted Escondido sphere. Due to the scope of the proposal area a comprehensive update of the City's sphere is warranted along with preparing the supporting municipal service review document. These and other service-related issues have been communicated to the City and are currently under joint review with other local stakeholders. Project was originally titled as "Safari Highlands.
	Pending	"Rancho Lomas Verde Reorganization" - City of Vista		This anticipated reorganization proposal is undergoing development and environmental review by the City of Vista. The proposal involves annexation of approximately 300 acres to the City of Vista and concurrent detachments from CSA 135 and the Vista FPD to facilitate a 153-lot residential development. Close to three-fourths of the project area lies outside the adopted Vista sphere. Due to the scope of the proposal area a comprehensive update of the City's sphere is warranted along with preparing the supporting municipal service review document. These and other service-related issues have been communicated to the City and are currently under joint review with other local stakeholders.
	Pending	"Sager Ranch Reorganization" - City of Escondido		This anticipated reorganization involves annexation of approximately 1,800 unincorporated acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the proposed development of approximately 200 acres to include 203 residential units and a 225-room resort. Portions of the project area lie outside the current City sphere. Fire protection service remains a key discussion point and the source of ongoing discussions with the proponents.
	Pending	"Harmony Grove Village South" (TM-626) - Rincon del Diablo MWD		This anticipated reorganization involves the unincorporated Harmony Grove Village South project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 111 acres to include 453 residential units. On January 27, 2020 the San Diego Superior Court overturned the County's development approvals for the project. Appeals are pending with no update as of this report.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
	Pending	"La Jolla Incorporation" -City of San Diego: Detachment		This anticipated special reorganization involves the detachment of 8,371 acres from the City of San Diego and the incorporation of the community of La Jolla. A draft fiscal impact analysis report is currently underway by the proponents - Association for the City of La Jolla (501c3) – to determine whether La Jolla could obtain cityhood and be economically sustainable on its own. Application is pending.
	Pending	"Lake Wohlford Resort Reorganization" - Valley Center MWD: Annexation		This anticipated reorganization involves annexation of approximately 127 unincorporated acres to the Valley Center Municipal Water District. The reason for reorganization of the Lake Wohlford Resort community is to pass the Surface Water Treatment Rule – which they are currently unable to do due to the severe need for updated infrastructure. This reorganization involves the construction of 9,500 linear feet of private water lines to satisfy 140 connections. Additionally, the San Pasqual Band of Mission Indians will be a shareholder in the project by sharing a portion of the proposed private water lines. Complete application is pending.

7a

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.

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

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
Vacant, Alt., General Public

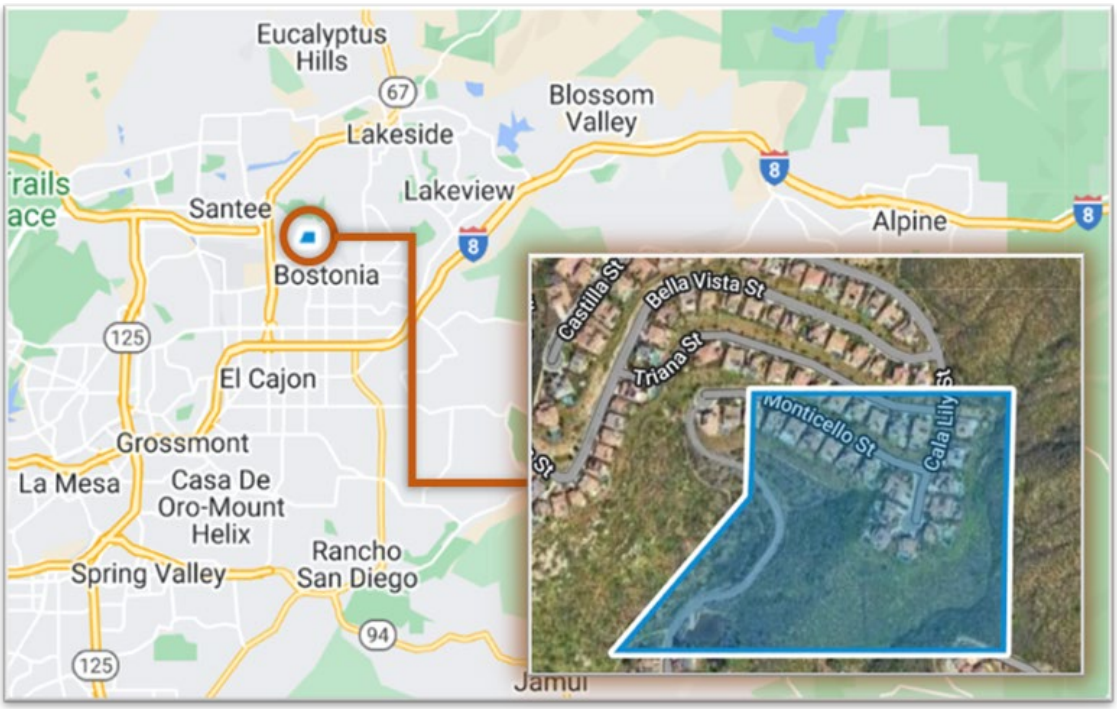
BACKGROUND

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)

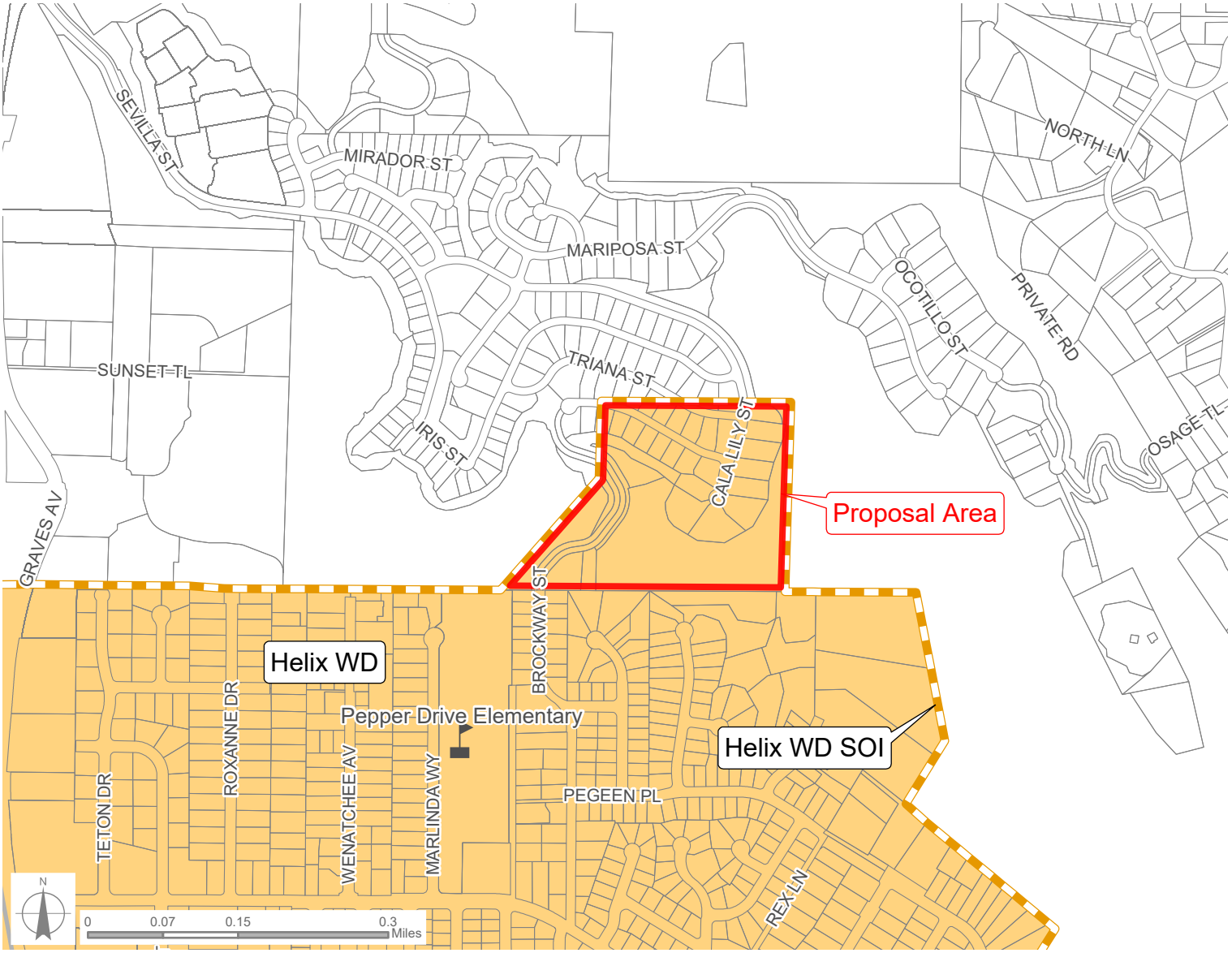
	Affected Territory + Surrounding Lands
Census Tract No.	6073016701
Estimated Population	9,508
Pollution Burden	Weighted Percentile
… Percentile	62.53
Indicator | Air Quality: Ozone	**65.69**
Indicator | Air Quality: PM 2.5:	44.34
Indicator | Air Quality: Diesel PM:	**53.71**
Indicator |Pesticides:	0.00
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

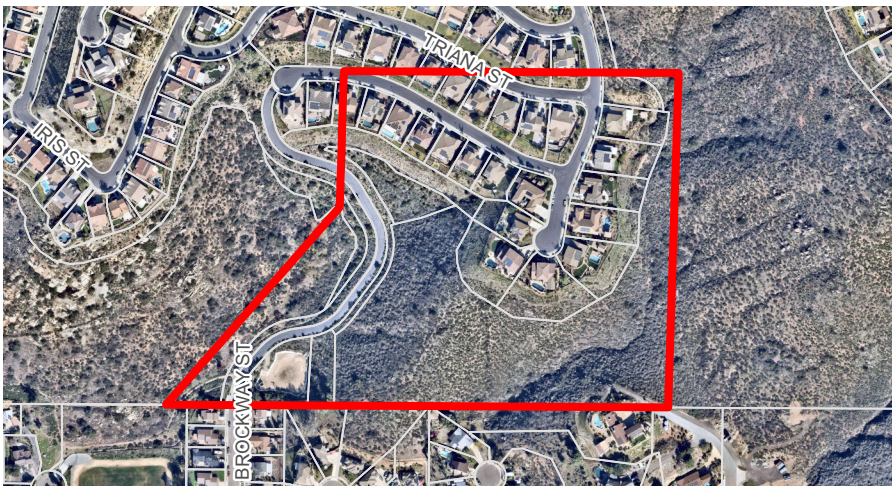
q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information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

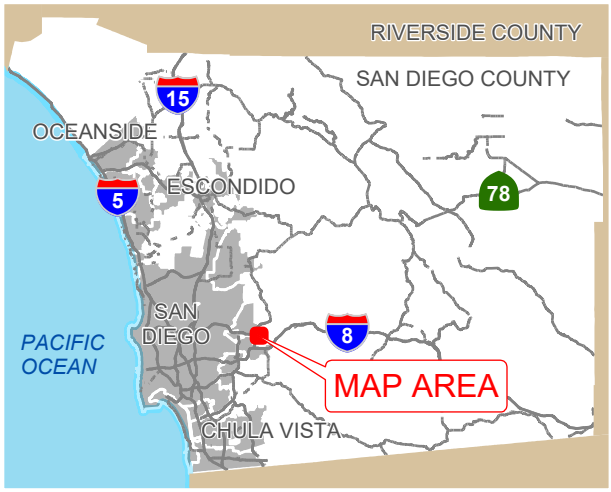
The Santee General Plan contains a hazard mitigation plan for potential fire, flooding, and earthquakes. The affected territory lies within a low-level earthquake hazard area and is not designated within an at-risk wildfire, tsunami, or flooding hazard area.

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

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.

G:\GIS\Vicinity_Maps\agendamaps2023\23-13 HelixWD Sky Ranch.aprx

Created by Dieu Ngu -- 12/7/2023

Blank for Photocopying

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 CONDITIONALLY APPROVES 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-

Blank for Photocopying

EXHIBIT B
MAP OF THE AFFECTED TERRITORY

-Placeholder-

Blank for Photocopying

EXHIBIT C
DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

Blank for Photocopying

7b

AGENDA REPORT
Public Hearing | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer

SUBJECT: **Proposed Final Workplan and Budget for 2024-2025**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider recommendations in adopting a final workplan and budget for 2024-2025. Both items return following their draft adoption in March and subsequent public review – including presentations to the Cities and Special Districts Advisory Committees. The workplan remains materially unchanged in outlining 30 specific projects in priority order and headlined by continuing municipal service reviews on wholesale water service providers (No. 1a) and healthcare districts (No. 1b). The final workplan informs the proposed final budget and has been revised from the draft to include additional monies to salaries and benefits – specifically $0.025 million as detailed – and results in an updated proposed total of $2.912 million in matching expenses and revenues. The operating portion of expenses tallies $2.428 million and reflects a 7.4% increase above the current fiscal year and largely involves inflationary adjustments. Local agencies' apportionments continue to represent nine-tenths of all operating revenues and are set to increase in line with the rise in operating expenses at 7.4%.

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

BACKGROUND

San Diego LAFCO is responsible under State law to adopt a proposed budget by May 1st and a final budget by June 15th. A mandatory review by all local funding agencies is required between the two adoption periods. State law also specifies the proposed and final budgets shall be equal to the budget adopted for the previous fiscal year unless LAFCO formally finds any reduced costs will allow the membership to meet its regulatory and planning duties.

DISCUSSION

This agenda item is for San Diego LAFCO to consider recommendations from the Executive Officer and Assistant Executive Officer in adopting a coordinated final (a) workplan and (b) budget for the upcoming fiscal year. Both items return to the Commission from their initial presentation and adoption in draft form on March 4th and the subsequent 45-day public review period. This included providing direct notice to all local funding agencies per statute as well as presenting to both the Cities and Special Districts Advisory Committees.

A summary discussion of the main components underlying both items follows.

Summary | Proposed Final Workplan in 2024-2025

The final workplan as proposed remains materially intact from the draft adopted in March. The only changes involve changing the priority assignments for the top two projects involving municipal service reviews on wholesale water services and healthcare districts to No. 1a and No. 1b and in doing so reflect the Commission's deliberations at the March meeting. The remainder of the workplan – No. 3 through No. 30 – remains unchanged.

Summary | Proposed Final Budget in 2024-2025

The final budget as proposed includes a limited number of connected revisions to the draft adopted in March that collectively increase labor costs by an additional $0.025 million to accommodate additional starting salaries for the open budgeted positions. This increase follows the recent departure of an Analyst II in April for a local consulting firm and the recognition there is increased market competition in hiring entry-level analyst positions with comparable starting positions now approaching $65,000 to $70,000. These revisions are reflected in the proposed final budget and its matching expense and revenue total (operating and non-operating) of $2.912 million. The operating portion of the budget tallies $2.428 million and represents an increase of 7.4% or $0.167 million over the current year.

ANALYSIS

San Diego LAFCO's proposed final workplan and budget for 2024-2025 largely reflects a status quo in continuing existing service and funding levels with limited and purposeful exceptions. The status quo is reflected in the proposed final workplan and continues the Commission's practice to set a full and otherwise proactive workplan with 30 special projects over the 12 months. The first 10 projects serve as the highest priorities with several being forwarded from the current fiscal year and headlined by high-profile municipal service reviews covering the wholesale water services (No. 1a) and healthcare districts (No. 1b). The status quo is similarly reflected in the proposed final budget. This is headlined by continuing to budget the hiring of new analysts plus adding monies to professional services to reflect recent actuals and consultant needs to assist in proposal and study activities given increasing complexities. Cost-savings in other labor and non-labor accounts as detailed in March are helping to reduce the overall increase in operating expenses to 7.4% and otherwise closer to the current annual inflation estimate of 3.8% for the San Diego region.

A public guide to the proposed final workplan and budget is available in Attachment One.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed final workplan and budget as presented with any desired changes. This recommendation is consistent with taking the actions identified in the proceeding section as Alternate One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

a) Adopt the attached resolution in Attachment One approving the proposed final workplan (Exhibit A) and budget (Exhibit B) for 2024-2025 with any changes.

b) Direct the Executive Officer to request the County Auditor to calculate and issue final appointments for 2024-2025 totaling $2,184,098 or another amount as approved no earlier than May 20, 2024, and no later than May 24, 2024.

Alternative Two:
Continue consideration of the item to its next regular meeting.

PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda for action as part of a noticed public hearing. The following procedures, accordingly, are recommended for the Commission's consideration.

1) Disclose any ex-parte communications.
2) Receive verbal report from staff unless waived.
3) Open the hearing and invite comments from the public.
4) Close the public hearing, discuss item, and consider recommendation.

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachments:

1) Guide to the Proposed Final Workplan and Budget for FY2025

2) Draft Resolution Approving a Proposed Final Workplan and Budget for FY2025
   - Exhibit A: Proposed Final Workplan
   - Exhibit B: Proposed Final Budget



PROPOSED FINAL

Workplan & Budget Guide

FOR 2024–2025

About Us

Local Agency Formation Commissions – or LAFCOs – are boundary makers that oversee the creation and expansion of cities and special districts in all 58 counties of California. LAFCOs exercise regulatory and planning powers to coordinate publicly provided services, such as water or fire protection, and match them with community needs. **The goal of every LAFCO is to facilitate smart growth while avoiding urban sprawl.**

San Diego LAFCO operates within the second largest county in California as measured by population and currently tasked with overseeing over 100 local governmental agencies.

A summary of San Diego LAFCO's proposed final workplan and budget for 2024–2025 follows.

2024-2025 Workplan Guide

The proposed final workplan list 30 targeted projects for 2024–2025 comprising both new and continued activities. The targeted projects complement LAFCO's baseline commitment to process jurisdictional proposals and related service requests in a timely manner and are divided between three priority categories – high, medium, and low. An outline of all 30 projects with additional details on the "Top 10" follows.

No. 1a
Municipal Service Review on Wholesale Water Service Providers
San Diego County Water Authority + Metropolitan Water District

No. 1b
Municipal Service Review on Healthcare Districts
Fallbrook, Grossmont, Palomar, + Tri-City Healthcare Districts

No. 3
Transition External Accounting System
Implement Cloud Conversion for Quickbooks and Add Public-Facing Features

No. 4
Municipal Service Review on the Greater Carlsbad Region
City of Carlsbad, Carlsbad Municipal Water District, + Leucadia Wastewater District

No. 5
State Planning Grant Award (SALC 2.0): "Greening Agriculture"
Return-on-Investment and GAP Analyses in Support of Small Farming Operations

No. 6
RCD Ad Hoc Committee, Year Two: Transitioning OSAs to Boundary Changes
Greater San Diego, Mission, + Upper San Luis Rey Resource Conservation Districts

No. 7
Municipal Service Review on Greater San Marcos/Vista Region: Part I
Cities of San Marcos and Vista

No. 8
Municipal Service Review on Greater San Marcos/Vista Region: Part II
San Marcos and Vista Fire Protection Districts, Vista Irrigation District, Vallecitos Water District, + Buena Sanitation District

No. 9
Policy Review on Accounting + Auditing Procedures
Modernize and Harmonize Accounting + Auditing Policies to LAFCO's Needs

No. 10
Staffing + Professional Development
Fill Budgeted Positions + Establish In-Service Days to Enhance Professional Development

Medium Priorities

- **No. 11** | Policy Review: Job Descriptions
- **No. 12** | MSR: SANDAG
- **No. 13** | Custom Project Manager Tracker
- **No. 14** | Staffing Special Districts Advisory Committee
- **No. 15** | Info Report on Homeless Services
- **No. 16** | Staffing Cities Advisory Committee
- **No. 17** | MSR: Greater Encinitas Region
- **No. 18** | Complete FY2023 Audit
- **No. 19** | MSR: Greater Del Mar/ Solana Beach Region
- **No. 20** | Website Content Expansion + Enhancement

Lower Priorities

- **No. 21** | Annual Local Agency Directory
- **No. 12** | Policy Review: Applicant Forms + Requirements
- **No. 23** | Authorizing Credit Card Payments
- **No. 24** | CALAFCO Legislative Committee
- **No. 25** | Legislative Proposal on G.C. 56133
- **No. 26** | SDAC Bylaws
- **No. 27** | Info Report on Community Choice Aggregations
- **No. 28** | Liaison with Local Native American Tribes
- **No. 29** | Online Service + Fiscal Indicators
- **No. 30** | Policy Review: Public Member Appointments

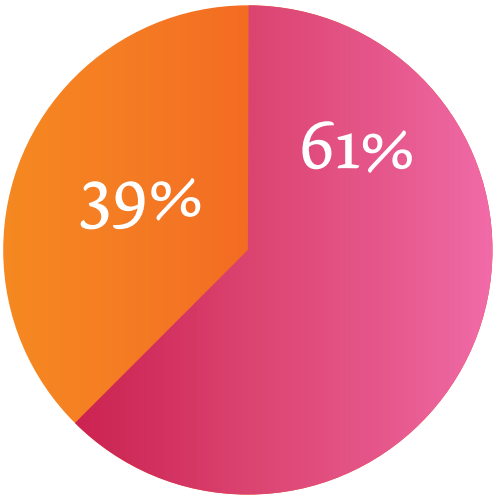
For a complete listing of the final workplan, please visit: **sdlafco.org**

2024-2025 Final Budget Guide

San Diego LAFCO's proposed final budget for 2024–2025 ties directly to funding the associated workplan and sets total matching expenses and revenues at $2.912 million. Four–fifths of total expenses tie to operating costs, which tally $2.428 million and represents a change over the current fiscal year of 7.4% – or $0.167 million and above the 5.8% annual inflation rate for the San Diego area. The remaining portion of the total budget involves non–operating units and largely tie to transacting revenues and expenses involving a State planning grant and debt service.

Key budgeted operating expenses and revenues follow.

Operating Expenses: $2.428 Million



Salaries and Benefits Cost

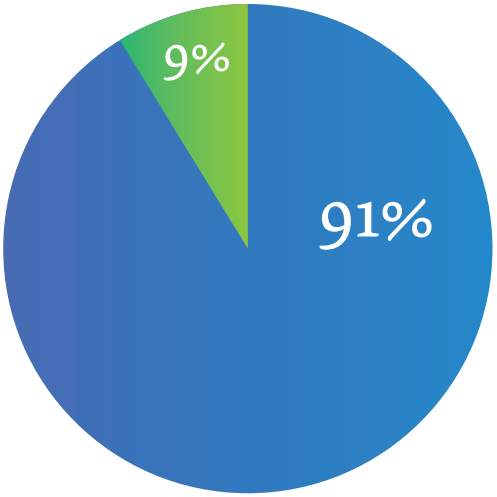
- $1.468 million; an increase of 2.3% over current year
- Amount equals 61% of all operating expenses
- Reduces budgeting staffing from 9.0 to 8.0 FTE
  - Eliminates vacant executive assistant position
- Accommodates previously approved 2.75% COLA
- Also accommodates anticipated merit increases
- Also accommodates CPI increase to meeting per diems to $291
- All line–item accounts show decreases expect pension

Services and Supplies Cost

- $0.959 million; an increase of 16.3% over current year
- Amount equals 39% of all operating expenses
- Two line item accounts underlie increase:
  - Increase in professional services to cover increase need for consultants and their technical expertise in preparing MSRs
  - Increase in memberships to cover new partnership with Assura Group to implement and host online project management tracking



Operating Revenues: $2.377 Million



Application Fees

- $0.215 million; same as current year
- Amount equals 9% of all operating revenues

Local Agency Contributions

- $2.162 million; an increase of 6.3% over current year
- Amount equals 91% of all operating expenses
- Allocation set by State law as follows:
  1. County of San Diego covers $0.618 million
  2. Cities less San Diego cover $0.618 million
  3. Special districts cover $0.618 million
  4. City of San Diego covers 0.309 million

Amounts for specific cities and districts further apportioned by Auditor's Office based on each agency's percentage of revenues relative to all revenues collected by their city/district peers

UNRESTRICTED FUND BALANCE

(estimate as of June 1, 2024)

Committed:	$750,000
Assigned:	$62,500
Unassigned:	$836,154
TOTAL:	$1,648,654

TOP CITY ALLOCATION

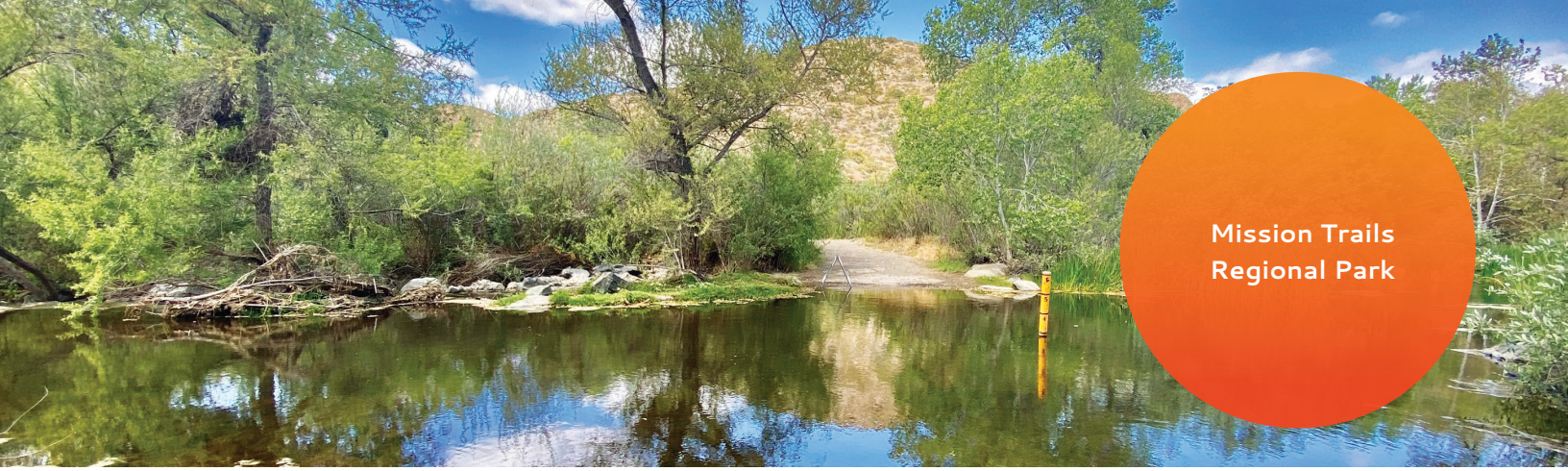
1. San Diego
2. Chula Vista
3. Carlsbad
4. Oceanside
5. Escondido

(based on FY2023 contributions)

TOP DISTRICT ALLOCATIONS

1. Otay Water District
2. Helix Water District
3. Padre Dam Municipal Water District
4. Olivenhain Municipal Water District
5. Vallecitos Water District

(based on FY2023 contributions)



San Diego LAFCO's Commission

San Diego LAFCO is governed by a 13-member "Commission" comprising county, city, special district, and public members. All Commissioners are appointed elected officials with the exception of the two public members. Commissioners serve four–year terms and divided between "regulars" and "alternates" and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. Commissioners are subject to standard disclosure requirements and must file annual statements of economic interests. The Commission has sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process.



Stephen Whitburn
Chair
City of San Diego



Baron Willis
Vice Chair
Alpine Fire Protection



Jim Desmond
Past Chair
County of San Diego



Joel Anderson
Commissioner
County of San Diego



Kristi Becker
Commissioner
City of Solana Beach



Jo MacKenzie
Commissioner
Vista Irrigation



Dane White
Commissioner
City of Escondido



Harry Mathis
Commissioner
General Public



David Drake
Alternate
Rincon Del Diablo



John McCann
Alternate
City of Chula Vista



Nora Vargas
Alternate
County of San Diego



Marni von Wilpert
Alternate
City of San Diego

RESOLUTION NO. ___

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
ADOPTING A PROPOSED FINAL WORKPLAN AND BUDGET
FISCAL YEAR 2024-2025

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the San Diego County Local Agency Formation Commission ("Commission") to perform certain regulatory and planning duties to facilitate orderly and accountable local government; and

WHEREAS, the Commission is required to annually adopt proposed and final budgets by May 1st and June 15th, respectively; and

WHEREAS, the Commission adopted a draft workplan and budget at a noticed public hearing held on March 4, 2024 followed by a noticed public review and comment period – including notices provided to all funding agencies; and

WHEREAS, the Commission has heard and fully considered all the evidence on a final workplan and budget for 2024-2025 presented at a public hearing held on May 6, 2024;

WHEREAS, the adoption of a workplan and budget are not projects under the California Environmental Quality Act.

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

1. The proposed final workplan for 2024-2025 shown as Exhibit A is APPROVED.

2. The proposed final budget for 2024-2025 shown as Exhibit B is APPROVED.

3. The Executive Officer is directed to request the County of San Diego Auditor's Office invoice the funding agencies in 2024-2025 for the total appropriation amount of $2,184,098.

The foregoing resolution was duly and regularly adopted by the Commission at a public hearing held on May 6, 2024 by the following vote:

Yes: _____

No: _____

Abstain: _____

Attest:

_____
Executive Officer

Blank for Photocopying

PROPOSED FINAL WORKPLAN FOR FY2024-2025

Exhibit A

Priority	Level	Type	Project	Description
Ongoing	…	Statutory	Applicant Proposals and Requests	Prioritize resources to address all applicant proposals and related requests
Ongoing	…	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work
Ongoing	…	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with regular updates to the Commission
1a	High	Statutory	MSR | Wholesale Water Service Providers	Continue scheduled review of wholesale water suppliers – CWA (comprehensive) and MET (abbreviated)
1b	High	Statutory	MSR | Healthcare Districts: Part I	Continue macro municipal service review of the four healthcare districts in San Diego County
3	High	Administrative	Transition to Online Accounting	Complete transition to QuickBooks accounting from desktop to online platform
4	High	Statutory	MSR | Carlsbad Region	Complete the scheduled reviews of the City of Carlsbad, Carlsbad MWD, and Leucadia WWD
5	High	Administrative	SALC Planning Grant 2.0	Complete two-year grant to expand SALC 1.0 to establish ag costs/revenues for existing and emerging crops with gap analysis
6	High	Administrative	RCD Ad Hoc Committee: Part II	Complete Commission's approved scope of work focused on long-term service/boundary true ups for all three RCDs
7	High	Statutory	MSR | Central 78 Corridor Region: Part I	Complete cities portion of regional municipal service review (San Marcos and Vista)
8	High	Statutory	MSR | Central 78 Corridor Region: Part II	Complete districts portion of regional municipal service review (San Marcos and Vista FPDs, Vista ID, Vallecitos WD, and Buena SD
9	High	Administrative	Policy Review | Audit and Accounting	Prepare update to modernize and expand audit + accounting policies; address auditor recommendations
10	High	Administrative	Staffing and Professional Development	Ensure all budgeted positions are filled and establish service days to advance professional development
11	Medium	Administrative	Policy Review | Personnel: Part III	Prepare update to modernize and harmonize job descriptions
12	Medium	Statutory	MSR | SANDAG	Initiate agency-specific municipal service review of SANDAG and its housing and transportation functions
13	Medium	Administrative	Custom Project Management Tracker	Work with outside consultant to develop and implement custom online project tracking platform
14	Medium	Statutory	Special Districts Advisory Committee	Provide administrative support to the Special Districts Advisory Committee and hold no less than three formal meetings in FY
15	Medium	Administrative	White Paper | Homeless Services	Evaluate scope and scale of governmental homeless services in San Diego County and potential governance options
16	Medium	Statutory	Cities Advisory Committee	Provide administrative support to the Cities Advisory Committee and hold no less than two formal meetings in FY
17	Medium	Statutory	MSR | Encinitas Region	Complete regional study covering the City of Encinitas + San Dieguito WD et al.
18	Medium	Administrative	Prepare Outside Audit + Enhancements	Complete outside audit of financial statements for 2023-2024 with supplemental information for added value
19	Medium	Statutory	MSR | Del Mar-Solana Beach Region	Complete regional study covering the Cities of Del Mar and Solana Beach + Santa Fe ID et al.
20	Medium	Administrative	Website Content Expansion	Proceed with content expansion for newly redesigned LAFCO website with multi-media enhancements

Priority	Level	Type	Project	Description
21	Low	Administrative	Annual Local Agency Directory	Update and publish an annual local agency directory subject to LAFCO oversight
22	Low	Statutory	Policy | Applicant Procedures	Update and streamline application materials and establish protocols in suspending and terminating proposals
23	Low	Administrative	Establish Credit Card Payments	Establish process and related rules to accept card payments for applicant proposals
24	Low	Administrative	CALAFCO Leg Committee	Reestablish regular participation on the CALAFCO Leg Committee
25	Low	Statutory	Legislative Proposal | G.C. 56133	Sponsor and/or facilitate amendment to clarify LAFCOs' authority to determine out-of-agency exemptions in (e)
26	Low	Administrative	Policy Review | SDAC Bylaws	Coordinate with SDAC in updating bylaws and related procedures to sync with current member interests/priorities
27	Low	Administrative	White Paper | Community Choice Aggregations	Evaluate scope and scale of CCAs and their operations in San Diego County and connectivity to LAFCO
28	Low	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services
29	Low	Administrative	Service + Fiscal Indicators	Develop online browser feature to depict service + fiscal indicators among local agencies in San Diego County
30	Low	Administrative	Policy Review | Public Member Appointments	Establish local policies and procedures to guide recruitment, vetting, and selection of public members
	Bullpen	Statutory	Legislative Proposal | G.C. 56430	Sponsor and/or facilitate amendment establishing community engagement enhancements in MSR statute
	Bullpen	Statutory	Policy Review | Island Annexations	Consider options to define "substantially surrounded" and provide related mapping services
	Bullpen	Administrative	White Paper | Garbage Services	Evaluate the scope and scale of garbage collection services and possible governance alternatives
	Bullpen	Administrative	LAFCO Workshop	Organize a Commission Workshop to discuss core responsibilities + powers and implementing preferences
	Bullpen	Administrative	Public Access Television	Broadcast LAFCO meetings on local government channels
	Bullpen	Statutory	MSR | Pauma Valley Region	Initiate a regional study covering the north county special districts in the Pauma/Rincon communities
	Bullpen	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service review and sphere of influence actions
	Bullpen	Statutory	Policy | Fee Schedule	Review and update fee schedule to sync with current costs and related considerations
	Bullpen	Statutory	Policy | CEQA Guidelines	Review and update existing implementing guidelines relative to current statute and best practices
	Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County's 28 Planning and or Sponsor Groups and directly engage as appropriate
	Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information
	Bullpen	Administrative	Local Agency Finder Tool	Develop online feature for users to enter address to identify all overlapping local jurisdictions (cities and districts)
	Bullpen	Administrative	Southern California LAFCOs	Participate in quarterly meetings with other Southern California LAFCOs and related projects and/or trainings
	Bullpen	Administrative	White Paper | School Districts	Evaluate scope and scale of school districts and their baseline capacities for reference in municipal service reviews
	Bullpen	Administrative	CALAFCO	Participate in CALAFCO sponsored programs and related trainings (conferences, workshops, committees, etc.)
	Bullpen	Statutory	Policy | Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts' service functions and classes
	Bullpen	Statutory	Escondido Region Governance Study	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD
	Bullpen	Administrative	White Paper | JPAs	Evaluate the status of JPA filings in San Diego County relative to LAFCO's task in SB 1261
	Bullpen	Statutory	Policy | Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current member interests/priorities

Exhibit B

San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

EXPENSES		FY2022-2023			FY2023-2024			FY2024-2025		
		Adopted	Amended	Actuals	Adopted	Amended	Estimate	Proposed Final	Difference $	Difference %
Salaries and Benefits Unit										
Account No.	Description									
51110-51310	Salaries and Per Diems	786,510	786,510	715,968	891,455	891,455	748,349	898,906	7,451	0.8%
51410	Retirement - SDCERA	275,694	275,694	255,990	318,295	318,295	286,496	350,146	31,852	10.0%
51415	Retirement - OPEB	9,030	9,030	8,190	10,273	10,273	8,565	10,196	(77)	-0.8%
51450	Payroll Taxes	55,537	55,537	49,377	64,840	64,840	51,581	65,044	205	0.3%
51510-51550	Group Insurance	125,476	125,476	102,010	150,033	150,033	95,659	143,481	(6,552)	-4.4%
51560	Unemployment Insurance	2,000	2,000	1,000	1,000	1,000	1,000	1,000	-	0.0%
		1,254,248	1,254,248	1,132,535	1,435,895	1,435,895	1,191,650	1,468,773	32,878	2.3%
Services and Supplies Unit										
Account No.	Description									
52074	Communications	12,961	12,961	6,327	43,824	43,824	28,558	42,299	(1,525)	-3.5%
52138	General Liability Insurance	12,402	12,402	12,737	12,737	12,737	14,194	14,194	1,457	11.4%
52178	Vehicle - Maintenance	980	980	1,051	980	980	1,899	1,000	20	2.0%
52182	Vehicle - Fuel	500	500	497	500	500	500	500	-	0.0%
52270	Memberships	30,248	30,248	27,037	28,994	28,994	23,343	38,736	9,741	33.6%
52304	Miscellaneous	50	50	50	50	50	-	50	-	0.0%
52330	Office: General Support	8,211	8,211	11,461	8,211	8,211	9,985	12,380	4,169	50.8%
52332	Office: Postage USPS	250	250	200	250	250	250	250	-	0.0%
52334	Office: Design + Printing	15,000	15,000	15,000	22,500	22,500	30,326	23,000	500	2.2%
52336	Office: Books and Guidelines	2,000	2,000	42	-	-	-	-	-	-
52338	Office: Drafting/Engineering	50	50	-	-	-	-	-	-	-
52344	Office: Supplies and Furnishings	14,600	14,600	11,318	14,600	14,600	7,894	12,100	(2,500)	-17.1%
52354	Office: County Mail Services	10,000	10,000	9,201	10,000	10,000	10,909	10,000	-	0.0%
52370	Professional Services	270,960	270,960	379,047	296,170	296,170	487,186	445,767	149,597	50.5%
52490	Publications and Legal Notices	4,650	4,650	12,500	8,150	8,150	5,000	8,500	350	4.3%
52504	Leases: Equipment	6,600	6,600	6,600	6,600	6,600	6,600	4,500	(2,100)	-31.8%
52530	Leases: Office Space	137,868	137,868	142,239	144,743	144,743	144,743	154,308	9,565	6.6%
52550	Special Expenses: County Overhead	72,466	72,466	30,624	40,000	40,000	32,366	33,000	(7,000)	-17.5%
52562	Special Expenses: New Hire Checks	-	-	469	-	-	70	-	-	-
52566	Special Expenses: Minor Equipment	500	500	-	-	-	-	-	-	-
52602	Computer Training	500	500	-	-	-	-	-	-	-
52610	Travel and Training | In County	2,700	2,700	4,500	2,700	2,700	4,000	2,700	-	0.0%
52612	Employee Auto	8,700	8,700	7,890	8,700	8,700	8,346	8,700	-	0.0%
52622	Travel and Training | Out of County	16,050	16,050	13,436	15,050	15,050	20,000	15,050	-	0.0%
52721	IT Reimbursements: Network	26,553	26,553	16,748	20,000	20,000	16,731	18,000	(2,000)	-10.0%
52723	IT Reimbursements: Data Center	29,015	29,015	26,621	33,000	33,000	26,390	30,000	(3,000)	-9.1%
52725+28	IT Reimbursements: Financial Systems	40,146	40,146	23,881	35,000	35,000	19,784	25,000	(10,000)	-28.6%
52732	IT Reimbursements: Desktop Computing	21,488	21,488	24,382	28,000	28,000	29,082	30,000	2,000	7.1%
52734	IT Reimbursements: Help Desk	2,331	2,331	2,002	2,331	2,331	1,712	2,331	(0)	0.0%
52750	IT Reimbursements: Catalog Equipment	3,748	3,748	25,937	40,000	40,000	10,000	25,000	(15,000)	-37.5%
52758	Fleet Reimbursements: Vehicle Lease	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	0.0%
		753,528	753,528	813,798	825,091	825,091	941,867	959,364	134,273	16.3%
	OPERATING EXEPENSE TOTAL	2,007,776	2,007,776	1,946,333	2,260,986	2,260,986	2,133,517	2,428,138	167,151	7.4%

EXPENSES CONTINUED...		FY2022-2023			FY2023-2024			FY2024-2025		
		Adopted	Amended	Actuals	Adopted	Amended	Estimate	Proposed Final	Difference $	Difference %
Non Operating Unit										
Account No.	Description									
51421	Debt Service: OPEB Obligation Bonds	37,388	37,388	32,781	34,092	34,092	33,932	34,092	-	0.0%
53585	Equipment Depreciation	-	-	-	-	-	-	-	-	-
TBD	Grant Award Payments	-	215,500	215,500	450,000	450,000	450,000	450,000	-	0.0%
54955-54961	Fixed Assets	-	-	-	-	-	-	-	-	-
		37,388	252,888	248,281	484,092	484,092	483,932	484,092	-	0.0%
	EXPENSE TOTALS	2,045,163	2,260,664	2,194,614	2,745,078	2,745,078	2,617,449	**2,912,230**	**167,151**	6.1%

REVENUES		FY2022-2023			FY2023-2024			FY2024-2025		
		Adopted	Amended	Actuals	Adopted	Amended	Estimate	Proposed Final	Difference $	Difference %
Intergovernmental Unit										
Account No.	Description									
45918.1	Apportionments | County	515,479	515,479	515,479	581,074	581,074	581,074	623,997	42,923	7.4%
45918.2	Apportionments | Cities (less SD)	515,479	515,479	515,479	581,074	581,074	581,074	623,997	42,923	7.4%
45918.3	Apportionments | City of San Diego	257,830	257,830	257,830	290,639	290,639	290,639	312,108	21,469	7.4%
45918.4	Apportionments | Special Districts	515,479	515,479	515,479	581,074	581,074	581,074	623,997	42,923	7.4%
		1,804,265	1,804,266	1,804,266	2,033,861	2,033,861	2,033,861	2,184,098	150,237	7.4%
Service Charges Unit										
Account No.	Description									
46234	Application Fees	170,000	170,000	250,000	200,000	200,000	175,000	200,000	-	0.0%
		170,000	170,000	250,000	200,000	200,000	175,000	200,000	-	0.0%
Earnings Unit										
Account No.	Description									
44105	Interest and Dividends	15,000	15,000	5,000	15,000	15,000	6,500	15,000	-	0.0%
		15,000	15,000	5,000	15,000	15,000	6,500	15,000	-	0.0%
	OPERATING REVENUE TOTAL	1,989,265	1,989,266	2,059,266	2,248,861	2,248,861	2,215,361	2,399,098	150,237	6.7%
Non-Operating Unit										
Account No.	Description									
TBD	Grant Awards	-	215,500	215,500	450,000	450,000	450,000	450,000	-	0.0%
47540	Transfer from Fund Balance	55,898	55,898	55,898	46,218	46,218	46,218	63,132	16,914	36.6%
		55,898	271,398	271,398	496,218	496,218	496,218	513,132	16,914	3.4%
	REVENUE TOTALS	2,045,163	2,260,664	2,330,664	2,745,079	2,745,079	2,711,579	**2,912,230**	**167,151**	**6.1%**
TOTAL NET		-	-	**136,050**			**94,130**	-		

FUND BALANCE (unrestricted)	Start of Year	End of Year	Start of Year	Estimate End of Year	Estimate Start of Year
Committed					
... Stabilization	250,000	250,000	250,000	250,000	250,000
... Opportunity	500,000	500,000	500,000	500,000	500,000
Assigned by EO	62,500	62,500	62,500	62,500	62,500
Unassigned	708,055	788,242	788,242	836,154	836,156
	1,520,555	1,600,706	1,600,742	1,648,654	1,648,656
% of unassigned balance to operating expenses:	35.3%	40.5%	34.9%		34.4%

8a

AGENDA REPORT
Business | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
DeeAnne Gillick, Special Outside Counsel
Chris Cate, Local Government Consultant
Adam Wilson, Local Government Consultant

SUBJECT: **Request for Reconsideration | March 4th Approvals Determining the San Diego Unified Port District is Subject to San Diego LAFCO Oversight and Related Authorizations**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider the merits of a request for reconsideration from the San Diego Unified Port District ("Port") involving approvals made at the March 4, 2024 meeting under Agenda Item No. 8a. The Port is requesting the Commission agree to reconsider its determinations that the Port is an independent special district subject to LAFCO oversight. The Port's request has been submitted under the provisions of LAFCO Rule 3.4(2). This local policy broadens a statutory allowance for affected agencies and persons as defined to request reconsideration involving actions taken by resolution within 30 days and applies a similar allowance involving actions taken without resolution. Although the Port does not qualify as an affected agency or person, the Chair has agreed to sponsor the request as a courtesy. Staff recommends the Commission consider the merits of the request under the Rule 3.4(2) criteria and approve or deny. If the request is approved, the March 4th approvals are tolled and the Commission will take up the reconsideration at the June 3rd meeting. No further action applies if the request is denied. Staff recommends denial.

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

BACKGROUND

Preliminary Administrative Assessment

On December 4, 2023, and in response to an earlier request from the dais for a future agenda item, San Diego LAFCO received a draft administrative assessment regarding the applicability of the Commission's oversight as it relates to the Port (Agenda Item No. 7a). The preliminary assessment tentatively concluded the Port is subject to LAFCO oversight while acknowledging the need to consider additional input. The Commission's discussion ended with direction to staff to prepare a final assessment for future consideration.

Final Administrative Assessment

On March 4, 2024, San Diego LAFCO received a final administrative assessment regarding the applicability of the Commission's oversight as it relates to the Port (Agenda Item No. 8a). The final assessment expands on the analysis of the draft and includes evaluating comments provided by the States Lands Commission. The final assessment concludes the Port is an independent special district subject to LAFCO oversight. The Commission's consideration on the final assessment ended with unanimous approval of the following actions:

(a) Accept the final administrative assessment as presented.

(b) Approve a conforming policy statement confirming the Port is an independent district subject to LAFCO's oversight.

(c) Authorize the Executive Officer to effectuate the above policy determination with respect to adding the Port to the annual appointment as well as add the Port as an eligible voter on the Independent Special Districts Selection Committee.

DISCUSSION

This item is for San Diego LAFCO to consider the merits of a request for reconsideration from the Port involving the March 4th approvals as outlined in the preceding section. The Port's request was filed with the Executive Officer on April 3rd and done so to conform with the 30-day reconsideration window allowed under LAFCO Rule 3.4(2). This local policy broadens the standard allowance for affected agencies and persons in statute to request reconsideration involving actions taken by resolution to similarly apply to actions taken without resolution. Although the Executive Officer determines the Port is ineligible to request reconsideration given it does not qualify as an affected agency or person as otherwise required, the Chair has agreed to sponsor the request as a courtesy. Accordingly, the Commission will consider the merits of the request consistent with Rule 3.4(2) and specifically whether any of the following three thresholds apply:

1. Has significant new information been provided in the request that was previously unavailable at the time the Commission originally acted on the item.

2. Have compelling arguments been presented in the request that would justify a reconsideration.

3. Were substantive errors/omissions identified in the Commission's previous action that needs to be corrected through the reconsideration process.

A copy of the April 3rd request for reconsideration submitted by the Port is attached. Also attached are the subsequent correspondence between the Executive Officer (April 5th communication) and the Port's outside counsel (April 18th communication).

ANALYSIS

The item before San Diego LAFCO is limited to considering the merits of the Port's request to reconsider the March 4th approvals under Rule 3.4(2) criteria. This involves Commission assessing whether it believes significant new information, compelling arguments, and/or substantive errors and omissions have been sufficiently forwarded by the Port to merit reconsideration. Whether justification exists to amend or strike the approvals is immaterial at this time and would only become a consideration should the request be approved.

Staff's analysis of the five factors provided by the Port in their April 3rd request for reconsideration follows.

- **Factor No. 1: The Commission was presented with incomplete LAFCO historical information (page 2 of April 3rd letter).** The Port states staff did not inform the Commission that past publications produced by LAFCO staff have stated it has no jurisdiction over the Port. The Port cites LAFCO's publications of "Profiles of Special Districts" in 1996, 2000, and 2011. The Port asserts this "information should have been presented on March 4th in order for the Commission to have an informed discussion."

  Staff respectively disagrees and believes this is not new or compelling information. Staff also believes there are no errors or omissions to remedy. Both the draft and final assessments presented to the Commission in December 2023 and March 2024 directly acknowledge it has been LAFCO's administrative practice not to apply oversight to the Port. Staff also made explicit reference to the historical practice as part of their verbal presentations.

- **Factor No. 2: The Commission lacks authority to make determinations as the to San Diego Port (page 4 of April 3rd letter).** The Port states statute provides an agency is either subject to LAFCO or is not. The Port adds there is no provision in LAFCO law or any other laws granting LAFCO the authority to "supplant the provisions of CKH with its own determinations as to the type of agencies subject to its jurisdiction." The Port proceeds to assert staff did not provide any legal authority supporting the determination that the Port is subject to LAFCO.

Staff respectively disagrees and believes this is not new or compelling information. Staff also believes there are no errors or omissions to remedy. CKH authorizes the Commission to provide direction to staff, to evaluate each existing governmental agency, and to include each independent special district in the annual apportionment. The final assessment presented at the March 4th meeting explicitly connects the staff analysis and the resulting conclusion to the Port meeting the definition of "special district" in CKH.

- **The Commission ignored the legal analysis provided by the San Diego Part and the State Lands Commission on the issue (page 4 of the April 3rd letter).** The Port states staff did not consider the legal analysis provided by the Port and State Lands Commission with reference to letters dated November 27, 2023, January 24, 2024, and March 1, 2024. The Port states the legal analysis provided in these letters align with the administrative practice of LAFCO to not assert oversight on the Port and suggests prior administrations were likely advised accordingly. The Port adds "assuming otherwise would mean the unimaginable: that SD LAFCO shirked its statutory obligations under CKH as to the San Diego Port for decades."

  Staff respectively disagrees and believes this is not new or compelling information. Staff also believes there are no errors or omissions to remedy. LAFCO staff considered all letters as part of the administrative assessment in step with their submittals. The November 27th letter from the Port was received two business days prior to the December 4th meeting and forwarded to the Commission as supplemental correspondence as well as referenced during the staff presentation. The November 27th letter was also discussed directly with Port officials during a meeting held at the LAFCO office on December 1st. The January 24th letter from the State Lands Commission generated a detailed written response by the Executive Officer on February 20th with both documents attached to the final administrative assessment presented to the Commission on March 4th. The March 1st letter from the State Lands Commission was received one business day before the meeting and was immediately forwarded to the Commission with copies provided on the dais. The topic of the State Lands Commission disagreement with LAFCO staff was also a prominent point during the March 4th presentation and discussion on the dais.

- **LAFCO arguments presented at the March 4th meeting are based on mistaken information (page 5 of the April 3rd letter).** The Port states staff provided the Commission incorrect information in the final administrative assessment regarding the need to reconcile annexations to any of its five member cities with the State Board of Equalization. The Port notes its principal act provides any annexations to its member cities are "deemed" annexed to the Port irrespective of LAFCO action to make any filings with the State Board of Equalization. The Port separately adds any disconnect between the Port's current boundaries and the Board of Equalization's records "may be a failure of SD LAFCO" for not advising on the filing process and immaterial to the Port since it does not receive any property tax revenues.

Staff respectively disagrees and believes this is not new or compelling information. Staff also believes there are no errors or omissions to remedy. While the principal act provides the Port's boundaries shall stay current with its five member agencies (Chula Vista, National City, San Diego, Coronado, and Imperial Beach) it does not sideline LAFCO's role to effectuate the actual change concurrently with managing the annexation to any of the five member cities. The topic of "automatic" boundary changes is addressed in Government Code 56120. This statute states "the commission of the principal county of the member district shall have exclusive jurisdiction over such a change in boundaries of the member district and also of any parent district subject to this division." Separately, while the Port may not currently collect property tax, the role of the State Board of Equalization remains material given their records are used to determine voter residency, residency qualifications for person to hold elected office, and local agency boundaries.

- **Legal analysis regarding LAFCO's lack of authority over the San Diego Port (page 7 of the April 3rd letter).** The Port asserts several factors – specifically its uniqueness as a special act district, existing oversight from the State Lands Commission and Coastal Commission, and its services not being "municipal" – in arguing it is not subject to LAFCO oversight.

  Staff respectively disagrees and believes this is not new or compelling information. Staff also believes there are no errors or omissions to remedy. The final administrative assessment states LAFCO statute covers "special act" districts. The final administrative assessment along with supplemental correspondence provided on March 4th received from other LAFCO Executive Officers also confirms several port and harbor districts in other counties are already concurrently overseen by LAFCO, Coastal Commission, and State Lands Commission. The final administrative assessment also addresses the nature of the Port's services and concludes they are municipal in nature.

RECOMMENDATION

It is recommended San Diego LAFCO deny the request for reconsideration.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO and can be accomplished through a single-approved motion.

Alternative One (recommended):
Deny the request for reconsideration.

Alternative Two:

(a) Approve the request for reconsideration and toll the March 4th approvals.

(b) Direct the Executive Officer to place the reconsideration on the June 3rd agenda.

Alternative Three:
Continue item to a future meeting.

PROCEDURES

This item has been placed on the agenda for possible action as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are advised.

1) Receive verbal report from staff unless waived.
2) Questions from the Commission.
3) Invite comments from the audience.
4) Commission discussion and potential action.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1) April 3, 2024 Port Request for Reconsideration
2) April 5, 2024 Email from Executive Officer to the Port
3) April 18, 2024 Port Response to the Executive Officer
4) March 4, 2024 Agenda Item No. 8a (previously provided – available online under Meetings/2024/March)
5) December 4, 2023 Agenda Item No. 7a (previously provided – available online under Meetings/2023/December)

PORT of SAN DIEGO

April 3, 2024

Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue Suite 725
San Diego CA 92103

Mr. Simonds:

Re: Request for Reconsideration of Commission Action on March 4, 2024 (Agenda Item 8a)

The San Diego Unified Port District ("Port District") hereby requests reconsideration of Agenda Item 8a of the March 4, 2024 meeting of the Board of Commissioners of the San Diego Local Agency Formation Commission ("SD LAFCO"), pursuant to SD LAFCO Rule 3.4(2).

The attached letter from the Port District's counsel identifies the compelling arguments for reconsideration, including new information not considered by the SD LAFCO Commission at the March 4, 2024 meeting, and the errors and omissions in the Commission's determination that require correction. For all the reasons set forth in the attached letter, SD LAFCO must vacate in its entirety its March 4, 2024 determination regarding oversight of the Port District.

Reconsideration is necessary because the March 4, 2024 determination is unsupported by law and exceeded SD LAFCO's statutory authority. That decision is also contrary to SD LAFCO's long-standing position that it lacks jurisdiction over the Port District, as repeated in numerous SD LAFCO publications over the past 20-plus years. This sudden reversal is especially disappointing as SD LAFCO failed to provide any meaningful opportunity for input from critical Port District stakeholders – including the State Lands Commission and our five member cities. Moreover, the oversight functions that SD LAFCO provides to agencies within its jurisdiction are simply not applicable to the Port District. The Port District's boundaries automatically change when our member cities' boundaries are amended; accordingly, LAFCO review of boundary modifications and municipal service needs would be redundant.

The Port District is acutely aware of the important role that SD LAFCO plays in encouraging orderly growth and development within San Diego County. The Port District remains committed to contributing to the social, fiscal and economic well-being of the state and the region, as it has done since it was established by the Legislature in 1962. We welcome an opportunity for open dialogue about how the Port District can support SD LAFCO's activities and oversight efforts. Accordingly, we reiterate our prior offer to meet with SD LAFCO senior staff to discuss how our organizations can work together going forward.

Please provide written confirmation of receipt of this request and confirm the date when the reconsideration item is scheduled for hearing.

Sincerely,

Randa Coniglio
Acting President and Chief Executive Office

cc: San Diego LAFCO Chair Stephen Whitburn
San Diego LAFCO Commissioners
California State Lands Commission Executive Officer Jennifer Lucchesi

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Paula C. P. de Sousa
Partner
(619) 525-1328
paula.desousa@bbklaw.com

April 3, 2024

Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue Suite 725
San Diego CA 92103

Re: Request for Reconsideration of Commission Action on March 4, 2024 (Agenda Item 8a)

Dear Mr. Simonds:

Best Best & Krieger LLP represents the San Diego Unified Port District ("San Diego Port District") as special counsel. The San Diego Port District hereby requests reconsideration of Agenda Item 8a of the March 4, 2024 meeting of the Board of Commissioners of the San Diego Local Agency Formation Commission ("SD LAFCO"), pursuant to SD LAFCO Rule 3.4(2). The San Diego Port District appreciates the role of SD LAFCO in furthering the California Legislature's policy of "encouraging orderly growth and development which are essential to the social, fiscal, and economic well-being of the state" and in ensuring the logical formation and modification of the boundaries of local agencies within San Diego County pursuant to the Cortese-Knox-Hertzberg Local Agency Government Reorganization Act of 2000 (Gov. Code § 56000 *et seq*.) ("CKH"). The San Diego Port District would further like to make very clear that it desires to work with and not against SD LAFCO to provide information that will no doubt enhance SD LAFCO's review of the services, spheres of influence, and boundaries of agencies within the statutorily proscribed boundaries of the San Diego Port District, as set out in the San Diego Unified Port District Act (Harbor & Nav. Code App. 1) ("Port District Act").

The above notwithstanding, the San Diego Port District respectfully requests that SD LAFCO reconsider and vacate in its entirety the determinations made and all ancillary actions taken by the Commission at its March 4, 2024 meeting with regard to the San Diego Port District. Specifically, at its meeting on March 4, 2024, the SD LAFCO Commission acted to approve the SD LAFCO staff recommendation included in the Agenda Report for Item 8a, as follows:

> **RECOMMENDATION**
>
> It is recommended San Diego LAFCO accept the final administrative assessment and determine the Port is subject to Commission oversight. This recommendation and related authorizations are consistent with Alternative One outlined below.
>
> **ALTERNATIVES FOR ACTION**
>
> The following alternative actions are available to San Diego LAFCO and can be accomplished through a single-approved motion.

Alternative One (recommended):

(a) Accept the final administrative assessment as presented.
(b) Approve a conforming policy statement confirming the Port is an independent district subject to LAFCO's oversight.
(c) Authorize the Executive Officer to effectuate the above policy determination with respect to adding the Port to the annual appointment as well as add the Port as an eligible voter on the Independent Special Districts Selection Committee.

Critically, the oversight functions that SD LAFCO provides to agencies within San Diego County are not applicable to the San Diego Port District. Reconsideration is therefore merited pursuant to LAFCO Rule 3.4(2)(c) in light of the following points, which identify (a) significant new information not considered by the Commission at the March 4, 2024 meeting and (b) substantive errors and omissions in the Commission's determination that require correction through reconsideration.[1] The San Diego Port District further asserts that the process leading up to the March 4, 2024 SD LAFCO meeting was unduly rushed in that SD LAFCO did not take the time to seek input from important stakeholders such as the San Diego Port District's own member cities (Chula Vista, Coronado, National City, Imperial Beach and San Diego).

SUPPORT FOR RECONSIDERATION REQUEST

1. The Commission was Presented with Incomplete SD LAFCO Historical Information.

The recent change in SD LAFCO's position as related to the San Diego Port District is inconsistent with SD LAFCO's long history of not only acknowledging, but also affirmatively asserting in its publications for over two decades, that the San Diego Port District is not within SD LAFCO's purview.

The Commission's March 4th agenda materials and the recording of that meeting make it clear that the Commission was deprived of full information. Those materials omitted the historical fact that SD LAFCO did not just fail to assert jurisdiction over the San Diego Port District for multiple decades but rather affirmatively and repeatedly acknowledged it didn't have any such jurisdiction. This acknowledgment was included in SD LAFCO's own publications, one of which remains as a resource for agencies and the public on SD LAFCO's website (https://www.sdlafco.org/home/showdocument?id=3114). Nothing in the March 4, 2024 agenda materials presented this background to the Commission for its consideration. Instead the issue was presented as if it were an issue of first impression for the Commission's consideration—presented as if the issue had just never come up in the past decades despite decades of SD LAFCO records indicating otherwise.

[1] Nothing in this letter is to be construed as an admission that the San Diego Port District acknowledges or agrees that SD LAFCO has any oversight role over the San Diego Port District.

For example, in its "Profiles of Special Districts in San Diego County" published in 2000 (which was a revision of its predecessor 1996 edition), SD LAFCO included the following in the introduction section:

> certain types of agencies over which LAFCO has no jurisdiction. These include school districts, library districts, improvement districts, lighting and landscape maintenance districts, **the Unified Port District**, the San Diego Area Wastewater Management District, and the San Diego County Flood Control District, and Joint Powers Authorities (JPAs).

(Profiles of Special Districts in San Diego County (2000), page i (emphasis added).) The introduction went on to state that information regarding some of the above referenced entities was included in the publication to "enhance coverage of this document" "in the section designated 'Miscellaneous Special Services Not Subject to LAFCO Review.'" (*Id*.) As indicated in the footnote of the introduction section, SD LAFCO made this and other "useful" SD LAFCO publications available for purchase.

In 2011, the Profiles of Special Districts publication was updated and renamed the "Directory of Special Districts in San Diego County," which again was made available by SD LAFCO for purchase. The introduction section of the 2011 version stated that the "extensive records that LAFCO maintains in its oversight function provided a base for the Directory, which was augmented by staff research and special district contributions." The 2011 Directory document again included information of the San Diego Port District in the "Agencies with Restricted LAFCO Oversight" section, noting specifically that:

> *LAFCO does **not** have purview over the Unified Port District of San Diego; however, reorganizations involving the Cities of Chula Vista, Coronado, Imperial Beach, National City and San Diego, including tidelands within those jurisdictions generally must be approved by LAFCO.*

(2011 Directory, p. 108 (emphasis in the original).) The San Diego Port District fails to believe that SD LAFCO would including this type of information in publications it has made available for over two decades without justification. A copy of the above referenced sections of the 2000 publication is attached to this letter as Exhibit "A." As previously noted, the 2011 publication can be found at the following SD LAFCO website link: https://www.sdlafco.org/home/showdocument?id=3114

SD LAFCO publications were the topic of the Commission's "FY 2012-13 Strategic Plan Meeting" discussion at its February 2012 meeting, for which the minutes reflect that then Executive Officer, Michael Ott indicated that "LAFCO provides important services to the public and other agencies by publishing documents, such as the LAFCO Procedures Guide, Annual MSR and Sphere Report, and updated application forms." At its April 2012 meeting, the meeting minutes reflect that the Commission approved a budget option that included approximately $35,000 of funding for "Reports and Publications," with the understanding that "some of the

associated costs would be recovered through publication charges." Notably the 2011 Directory remains on the SD LAFCO website today as a resource for the public and other agencies.[2]

In light of this background and SD LAFCO's past stance as to the San Diego Port District (a stance with which the San Diego Port District concurs as addressed in detail below), this information should certainly have been presented to the Commission at its March 4, 2024 meeting in order for the Commission to have an informed discussion.

2. SD LAFCO Lacks Authority to Make a Determination as to the San Diego Port District.

Except for a local agency formation commission's determination on "district status" pursuant to Government Code sections 56127 and 56128 (which applies to specified agencies not including the San Diego Port District), a local agency formation commission lacks authority to make a determination on whether it has jurisdiction over an agency. By statute, an agency is either subject to the jurisdiction of a local agency formation commission or it is not. No provision in CKH or any other law grants a local agency formation commission the authority to supplant the provisions of CKH with its own determinations as to the types of agencies subject to its jurisdiction. The agenda materials do not provide any references to legal authority supporting the new determination the Commission was asked to make at its March 4, 2024 meeting.

3. On March 4, 2024, SD LAFCO Ignored the Legal Analysis Provided by the San Diego Port District and the State Lands Commission on the Issue.

Both the San Diego Port District and the State Lands Commission have provided legal analyses as to SD LAFCO's lack of authority over the San Diego Port District given its unique legal obligations and duties. However, SD LAFCO has ignored the analyses even though they comport with SD LAFCO's historical treatment of the San Diego Port District. These various opinions are attached again for the Commission's review and consideration. (See Exhibit "B" attached.) Under LAFCO's reconsideration rules, these should be considered new information, and will no doubt be received in a different light given the above historical context, which was not before the Commission at its March 4th meeting. It is quite conceivable that the conclusions in these legal analyses are similar to the bases for SD LAFCO's prior acknowledgement and practice regarding its lack of authority over the San Diego Port District. Assuming otherwise would mean the unimaginable: that SD LAFCO shirked its statutory obligations under CKH as to the San Diego Port District for decades. Given the legal analyses provided previously by both the San Diego Port District and the State Lands Commission, SD LAFCO's decision to reverse its decades-long position of no jurisdiction cannot be justified by the newly made arguments supporting oversight of the San Diego Port District. For the avoidance of doubt, we provide a summary of the legal bases for the San Diego Port District's legal position in Section 5, below.

[2] The 2011 Director is oddly listed on the same webpage as a 2023 document titled "Local Agencies Directory" which lists the San Diego Port District's "service functions" as "Pending Municipal Service Review," despite no change in legislation to so warrant, and despite the fact that the Commission had yet to discuss the matter.

4. SD LAFCO Arguments Presented at the March 4th Meeting are Based on Mistaken Information.

The basis for SD LAFCO's recent interest in the San Diego Port District—the stated harms SD LAFCO's jurisdiction over the San Diego Port District purport to cure, as both described in the agenda materials for Item 8a and discussed at the March 4th meeting, are based on mistaken information:

- *The San Diego Port District's boundaries will not match its city members' boundaries[3] if SD LAFCO is not involved.*

  This is incorrect for at least two reasons:

  - First, the San Diego Port District's boundaries are those of its member cities regardless of whether a statement of boundary changes is filed with the California Board of Equalization by SD LAFCO. Stated another way, the San Diego Port District's boundaries are set by statute. (Harbor & Nav. Code App. 1, §5.) Territory is "deemed" annexed into the San Diego Port District following the completion a SD LAFCO action to annex territory into one of the cities within the San Diego Port District's statutorily established boundaries.

  - Second, agencies other than a local agency formation commission can file statements of boundary changes with the California Board of Equalization pursuant to Government Code section 54900.[4]

  Any current disconnect between SD LAFCO's understanding and the San Diego Port District's official Board of Equalization boundaries may be due to a failure of SD

[3] The San Diego Port District's "member" cities are the cities of Chula Vista, Coronado, National City, Imperial Beach and San Diego.

[4] Government Code section 54800 provides as follows:

> When there is a change in boundaries (1) of a city, (2) of a district, or special zone thereof, within a city the tax levy of which is carried on the regular city assessment roll, or (3) of a district, or special zone thereof, the tax or special assessment levy of which is carried on the regular county assessment roll, or when a city or any district, or special zone thereof, is created the tax or special assessment levy of which is carried on the regular county assessment roll, or when a district previously levying and collecting taxes or special assessments based upon its own assessment utilizes the regular city or county assessment roll, the tax or assessment levying authority of the city or district shall file or cause to be filed a statement of the creation or change, or of the exterior boundaries of the district and the special zones therein newly utilizing the regular city or county assessment roll. The city or district shall prepare the statement and forward it to the tax or assessment levying authority for filing.
>
> Any filing as required by this section by the executive officer of a local agency formation commission pursuant to Section 57204 shall be deemed to satisfy the requirements of this chapter.

LAFCO to provide the Port information regarding the changes in order for the San Diego Port District to make follow-on filings to the State. ***Regardless***, the purpose of filing a statement of boundary changes with the Board of Equalization is to update the "Tax-Rate Area System" the State Board of Equalization administers. The Tax-Rate Area System, which is used by counties for the proper allocation of property tax revenues between counties and taxing agencies within a county, has no impact on the San Diego Port District because it receives no property tax revenues through the tax roll.

- **If SD LAFCO does not act to ensure the San Diego Port District's boundaries match its city members' boundaries, then each member city may inadvertently appoint a member that is not an elector within the San Diego Port District's boundaries.**

  This concern is based on incorrect premises. First, as stated above, the San Diego Port District's boundaries are coterminous with the boundaries of its member cities—so the stated concern could never occur. Additionally, under the Port District Act, members of the San Diego Port District Board of Commissioners are required to be residents of the city making the appointment rather than an elector within the boundaries of the San Diego Port District. San Diego Port District Commissioners represent the particular city from which they are appointed. (Harbor & Nav. Code App. 1, §16.)

One last item of note:

- The March 4, 2024 Agenda Report for this item includes the following statement in the opening paragraph, related to the Commission's decision options:

  > "It is recommended the Commission accept the assessment and approve a conforming policy statement. Alternatively, and as contemplated, should it separately determine the Port is performing functions exclusively for the benefit of the State, the Commission should accept the assessment and approve a substitute policy statement that the Port is not subject to LAFCO oversight."

(SD LAFCO March 4, 2024 Agenda Report for Item 8a.) The San Diego Port District is unaware of any such standard as the basis for determining whether an agency is or is not subject to LAFCO oversight. As stated above, an agency is statutorily either subject to the jurisdiction of a local agency formation commission or it is not.

5. Summary Legal Analysis Regarding SD LAFCO's Lack of Authority over the San Diego Port District

A. Background: The San Diego Unified Port District Act and Other Relevant State Law

The San Diego Port District is unique to other port districts in California. Unlike other port districts, which are generally formed pursuant to provisions of the Harbor and & Navigations Code that lay out the framework for the local establishment of a port district, the San Diego Port District was created directly by the California Legislature pursuant to its adoption of the Unified Port District Act (Harbor & Nav. Code App. 1). The San Diego Port District is the only agency that can operate under the Port District Act. Stated another way, there is only one, and can be only one, San Diego Port District.

Under the Port District Act, the San Diego Port District is charged by the State of California as the owner and operator of tidelands and submerged lands in San Diego Bay (which are held in public trust), but it is also a U.S. Port of Entry and has various responsibilities and duties which directly impact intrastate, interstate, and international commerce. In this way the San Diego Port District is like the Ports of Long Beach, Los Angeles and Oakland and not like an inland port or harbor district. But unlike the Ports of Long Beach, and Los Angeles and Oakland, the San Diego Port District operates as a standalone public corporation, as opposed to departments of those cities.

San Diego Port District activities are subject to the requirements and obligations of the Coastal Act and the Public Trust Doctrine and, where applicable, the oversight by both the Coastal Commission and the State Lands Commission. To that end, the San Diego Port District is charged, under the Port District Act, with the "development, operation and regulation of harbor works and improvements, including rail and water, for the development, operation, maintenance, control, regulation, and management of San Diego Bay for the promotion of commerce, navigation, fisheries, and recreation…[.]" (Harbor & Nav. Code App. 1, § 4.) Public Resources Code section 6009 establishes that the "purposes and uses of tidelands and submerged lands is a *statewide concern*" and further provides that grantees of tidelands and submerged lands, such as the San Diego Port District, must manage them in a manner "consistent with the terms and obligations of their grants and the public trust, *without subjugation of statewide interest, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises*."

1. San Diego Port District Boundaries and Services

The San Diego Port District's boundaries are also set by the provisions of the Port District Act:

- Section 5 of the Port District Act establishes that its boundaries include the corporate areas of San Diego, Chula Vista, Coronado, National City, and Imperial Beach, and any contiguous unincorporated territory in the County of San Diego "which is economically linked to the development and operation of San Diego Bay, included in the district by the board of supervisors of the county as provided in this act."

- Section 53 of the Port District Act, "any territory annexed in accordance with law to a city specified in this act shall, upon the **completion** of such annexation proceedings, be deemed incorporated into and annexed to the district." (Emphasis added.) Stated plainly, under the Port District Act territory is "deemed" annexed into the San Diego Port District following (and not concurrently with) completion LAFCO's action to annex territory into one of the cities within the San Diego Port District's statutorily established boundaries.

- The San Diego Port District is a U.S. Port of Entry directly responsible for compliance with applicable Federal Laws related thereto, competes and serves in the same market as other cargo and passenger ports along the west coast of the U.S., and serves international businesses and carriers from around the world. As a result, its service area likely includes the entire western United States.

As noted above, the Port District Act provides the purpose and powers granted to the San Diego Port District by the legislature, "for the development, operation and regulation of harbor works and improvements, including rail and water, for the development, operation, maintenance, control, regulation, and management of San Diego Bay for the promotion of commerce, navigation, fisheries, and recreation…[.]" (Harbor & Nav. Code App. 1, § 4.) While the San Diego Port District owns and operates the tidelands and submerged lands granted to it by the State, it holds these lands in public trust. And in *Colberg, Inc. v State of California ex rel. Dept. Pub Wks* (1967) 67 Cal.2d 408, 417 (*Colberg, Inc.*), the court concluded:

> The nature and extent of the trust under which the state holds its navigable waterways has never been defined with precision, but it has been stated generally that acts of the state with regard to its navigable waters are within trust purposes when they are done 'for purposes of commerce, navigation, and fisheries for the benefit of all the people of the state.

(Citations omitted.) In addition to other provisions of the Port District Act, Section 87 more particularly provides specific purposes for the use of the tideland and submerged lands held in public trust by the San Diego Port District. (Harbor & Nav. Code App. 1, § 87.)

2. Master Plan Requirements and State Agency Oversight

The Port District Act requires that the Board of Port Commissioners ("Commission") draft and adopt "a master plan for harbor and port improvement for the use of all the tidelands and submerged lands" conveyed to the San Diego Port District pursuant to the Port District Act. (Harbor & Nav. Code App. 1, § 19.) The California Coastal Act ("Coastal Act") further provides specific regulations for a master plan ("Master Plan") for the "Ports of Hueneme, Long Beach, Los Angeles, and *San Diego Unified Port District* located within the coastal zone" because they "constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry." (Pub. Res. Code, §§ 30700 [emphasis added], 30701.) The Coastal Act expressly states the Legislature's intent for the specific regulation of these commercial ports as follows:

> The location of commercial port districts within the State of California … are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state and local regulations. Coastal planning requires no change in the number or location of established commercial port districts. Existing ports … should be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

(Pub. Res. Code, § 30701.)

To implement the policy of the State as codified, port-related development for the above-listed commercial ports, including the San Diego Port District, is subject to oversight by both the Coastal Commission and the State Lands Commission. The Coastal Act requires the Coastal Commission to "adopt, certify, and file with each port governing body a map delineating the present legal geographic boundaries of each port's jurisdiction within the coastal zone." (Pub. Res. Code, § 30710.) This additional oversight by the Coastal Commission belies SD LAFCO's conclusion and action on March 4, 2024 that the San Diego Port District is subject to SD LAFCO. While the San Diego Port District is certainly subject to oversight by the State Lands Commission, its role as an established commercial port means that it is also subject to oversight by the Coastal Commission for both development (including the San Diego Port District's legal geographic boundaries) as well as uses within those boundaries.

B. The San Diego Port District is Not Subject to LAFCO Jurisdiction or Oversight

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code, § 56000 *et seq*. ("CKH")), local agency formation commissions primarily establish spheres of influence for agencies over which they have jurisdiction, prepare municipal service reviews in order to prepare and updates those spheres of influence, and process proposals for changes of organization (like annexations and detachments) or reorganizations (applications involving one or more change of organization). Any changes of organization or reorganization must be consistent with an agency's sphere of influence. All such activities are inapplicable to the San Diego Port District.

1. Municipal Service Reviews, Spheres of Influence and Annexations

Under CKH, a service review is required only "in order to prepare and to update spheres of influence in accordance with Section 56425." (Gov. Code, § 56430 (a).) A sphere of influence is defined in CKH as a "plan for the probable physical boundaries and service area of a local agency[.]" (Gov. Code, § 56076.) A local agency formation commission uses spheres of influence to assist it in carrying out its purposes and responsibilities "for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the

jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities." (Gov. Code, § 56425.)

The San Diego Port District has no sphere of influence because it would be unnecessary for it to have one given that the Legislature has already determined its probable physical boundaries and service area in Section 5 of the Port District Act and also proscribed the specific scope and purpose of the San Diego Port District's services and powers in other provisions of the Port District Act. Additionally, a plan for the San Diego Port District's services is already provided for by law in the Port District Act, and the review and approval of that Master Plan is already provided by the California Coastal Commission with adoption procedures similar to those provided for in CKH. (See Pub. Res. Code, § 30711 *et seq*.)

If the San Diego Port District does not have or need a sphere of influence, a municipal service review to inform a sphere of influence is simply not applicable to it given that the governance of State lands held in public trust is already statutorily subject to oversight by both the State Lands Commission and the Coastal Commission. "Grantees are required to manage the state's tidelands and submerged lands consistent with the terms and obligations of their grants and the public trust, *without subjugation of statewide interest, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises*." (Pub. Res. Code, § 6009 (d) [emphasis added].)

In *Mallon v. City of Long Beach* (1955) 44 Cal. 2d 199, the California Supreme Court considered a State statute which attempted to appropriate half of the oil and gas revenues derived from the sale of oil and gas produced from the tide and submerged lands granted in trust to the City of Long Beach to a City fund for public improvements. The Court held that the expenditures of tideland trust funds for public purposes that were matters of a "municipal" character, e.g., "storm drains, a city incinerator, a public library, public hospitals, public parks, a fire alarm system, off street parking facilities, city streets and highways" were not "of such general state-wide interest that state funds could properly be expended thereon." (*Id.* at p. 211.) The Court concluded such expenditures would violate the Gift Clause of the California Constitution. (*Id*. at p. 212.)

While CKH broadly defines "service" to mean "a specific governmental activity established within, and as a part of, a function of a local agency"[5] and defines "function" to mean "any power granted by law to a local agency to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property,"[6] these terms are distinguishable from the purposes of the services and functions provided by the San Diego Port District under the San Diego Port District Act, as described above. The San Diego Port District's activities are expressly not municipal in nature (though we concede akin to services provided by other agencies within the jurisdiction of SD LAFCO), but are rather of a statewide concern, so are therefore beyond the scope of what CKH contemplates.

Last, and as stated above, annexations into the San Diego Port District are already covered by the express provisions of the San Diego Port District Act in that Section 53 provides that "any

[5] Gov. Code, § 56074.
[6] Gov. Code, § 56040.

territory annexed in accordance with law to a city specified in this act shall, upon the completion of such annexation proceedings, be deemed incorporated into and annexed to the district." No SD LAFCO involvement is required for San Diego Port District annexations.

CONCLUSION

In light of the above, and in order to preserve the San Diego Port District's rights to pursue all available legal remedies at its disposal, the San Diego Port District submits this request for reconsideration of the Commission's March 4, 2024 action on Agenda Item 8a making determinations related to the San Diego Port District. This request for reconsideration is made pursuant to Article III, Section 3.4 (2) of SD LAFCO's Rules regarding requests for reconsideration of a Commission determination for which a resolution was not adopted. Pursuant to Article III, Section 3.4 (2)(c)(1) of SD LAFCO's Rules, the above information serves as the basis for the San Diego Port District's request.

Pursuant to Article III, Section 3.4 (2)(c)(2), the San Diego Port District respectfully requests the Commission rescind entirely the determinations made on March 4, 2024, and that it instead direct SD LAFCO staff to work with the San Diego Port District to identify areas where the San Diego Port District can be of service to SD LAFCO in undertaking its activities under CKH as to agencies over which it does have authority. The San Diego Port District reserves the right to augment this request with additional information as appropriate.

Sincerely,



Paula C. P. de Sousa
of BEST BEST & KRIEGER LLP

Attachments: Exhibits "A" and "B"

EXHIBIT "A"

EXCERPTS FROM SAN DIEGO LOCAL AGENCY FORMATION COMMISSION "PROFILES OF SPECIAL DISTRICTS IN SAN DIEGO COUNTY"

PUBLISHED IN 2000

PROFILES OF SPECIAL DISTRICTS

IN SAN DIEGO COUNTY

Published by San Diego LAFCO:

Michael D. Ott
Executive Officer

Prepared by:

Tita J. Mandapat
Administrative Aide

2000

INTRODUCTION

This publication is a revision of the 1996 edition of Profiles of Special Districts. Reflecting changes in special district jurisdiction and services in San Diego County as of June 2000, this document includes information about formations of new districts, consolidations of existing districts, and district dissolutions. For agencies that have been dissolved or consolidated since 1988, relevant information, the name of the successor agency, and a listing of dissolved districts have been included in the index.

Agencies are listed according to function in this publication. The scope of information for each agency includes factors such as population, service area, district facilities, and water capacity, as well as the Insurance Service Office (ISO) rating for fire districts. As with the previous edition, the special districts listed in this publication fall into three overall categories: (1) "Independent" special district -- a district that has its own independently elected (or appointed) board of directors; (2) "Dependent" special district -- a district that is governed ex-officio by another body, (e.g., County Board of Supervisors or city council); and (3) "Subsidiary" district -- a district that is governed by a city council acting as the ex officio board of directors. Additionally, the total number of districts in each of these categories has been specified.

There are certain types of agencies and entities over which LAFCO has no jurisdiction. These include school districts, library districts, improvement districts, lighting and landscape maintenance districts, the Unified Port District, the San Diego Area Wastewater Management District, the San Diego County Flood Control District, and Joint Powers Authorities (JPAs). To enhance coverage of this document, information pertaining to some of these agencies/public service entities has been provided. The details regarding these service providers is located in the section designated *"Miscellaneous Special Services Not Subject to LAFCO Review."*

Also incorporated into the 2000 edition of the Profiles of Special Districts are updated vicinity maps for those special districts whose boundaries are within San Diego LAFCO's jurisdiction. With the introduction of color, the quality and clarity of the maps have been significantly improved since the last publication.

San Diego LAFCO hopes that readers will find the additions and improvements to this document useful and informative. For more information on the powers and functions of the various types of districts, the reader should refer to the district enabling acts or to our publication, A Guide to LAFCO Procedures.

.....

Also available for purchase are other useful publications, which San Diego LAFCO has prepared, including: A Guide to LAFCO Procedures, Profiles of Cities in San Diego County, Special Districts Sphere of Influence Survey, and Cities Sphere of Influence Survey. Please contact the San Diego LAFCO office at (619) 531-5400 for further information and publication costs.

MISCELLANEOUS

SPECIAL

SERVICES

NOT SUBJECT

TO LAFCO REVIEW

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

There are certain types of agencies and entities over which LAFCO has no jurisdiction. These include school districts, library districts, improvement districts, lighting and landscape maintenance districts, the Unified Port District, the San Diego Area Wastewater Management District, and the San Diego County Flood Control District, and Joint Powers Authorities (JPAs). To enhance the scope of this document, information pertaining to some of the entities not within LAFCO's purview has been included.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

FLOOD CONTROL

The Board of Supervisors functions as the board of directors for the flood control district; therefore, inquires should be directed to:

SAN DIEGO COUNTY FLOOD CONTROL DISTRICT
Public Works Department
5555 Overland Avenue, Building 2
San Diego, CA 92123
Telephone: (858) 694-2830
FAX: (858) 694-2499

Description: This District was created by the State Legislature in 1966 and empowered to establish facilities to control and conserve flood and storm waters; to protect harbors, waterways, highways, property, and life from flood and storm waters; and to protect beaches and shorelines from erosion. While the planning and construction of flood control and storm drain systems are the District's primary purposes, it is also involved in monitoring potential flooding problems and issuing warnings to citizens. Until 1985, LAFCO made decisions regarding boundary changes to the San Diego County Flood Control District. However, in 1985, Senate Bill 2228 was enacted which removed the Flood Control District from LAFCO's purview.

Service Area: The District encompasses all of the unincorporated territory in San Diego County.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

PORT DISTRICT

SAN DIEGO PORT DISTRICT
3165 Pacific Highway
San Diego, CA 92101
Telephone: (619) 686-6200
FAX: (619) 291-0753

Description: This District is a special purpose unit of government created in 1962 by an act of the state legislature with subsequent approval by area voters. Established to manage the harbor, operate Lindbergh Field, and administer the public tidelands, the District is authorized to levy property taxes within the 5 member cities. Between 1963 and 1970 the District imposed a small tax to repay debts incurred for improvements. No tax levy has been required since 1970 because revenues from the principal operational areas -- harbor, airport, and property management -- have been sufficient to support operations, service bonded indebtedness, and permit capital improvements. The Port District does not administer all of the tidelands around San Diego Bay. The Navy, Coast Guard, and Marine Corps occupy and utilize large areas. The District is governed by a seven-member Board of Port Commissioners.

Public recreational facilities are an important component of the District's operation. Fishing piers, parks, bike paths, and boat launching ramps are provided for public enjoyment of San Diego Bay. There are over 250 acres of public recreational and open space areas along the bayfront.

Service Area: The Port District encompasses the Cities of Coronado, Chula Vista, Imperial Beach, National City, and San Diego. The harbor is 14 miles long and contains 23 square miles of water and land.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

SEWER SERVICE

SEWER MAINTENANCE DISTRICT

The Board of Supervisors functions as the board of directors for this sewer maintenance district; therefore, inquires should be directed to:

WINTERGARDENS SEWER MAINTENANCE DISTRICT
Public Works Department/Wastewater Management
County Operations Center
5555 Overland Avenue
San Diego, CA 92123
Telephone: (858) 694-2212

Description: Formed in 1964, the District serves approximately 3,790 equivalent dwelling units (EDUs) and imposes an annual sewer service charge of $282/EDU. While the system's rated capacity is 1.21 million gallons per day (mgd), average flow is only 0.769 mgd. The District does not treat its sewage but has an agreement with the City of El Cajon that allows the sewage to be disposed of through the City of San Diego Metropolitan Sewer System.

Service Area: The District owns 124,000 feet of sewer mains, and operates and maintains the public sewer system located in the region just north of the City of El Cajon.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

SEWER SERVICE

JOINT SEWERAGE AGENCIES

ENCINA WASTEWATER AUTHORITY
Encina Water Pollution Control Facility
6200 Avenida Encinas
Carlsbad, CA 92009
Telephone: (760) 438-3941
FAX: (760) 438-3861

Description: The Cities of Carlsbad, Encinitas, and Vista, the Leucadia and Vallecitos County Water Districts, and the Buena Sanitation District have entered into a joint powers agreement to own and operate a common sewer system (Encina Water Pollution Control Facility). In addition, the member agencies entered into a joint powers agreement that created the Encina Wastewater Authority (EWA) to serve as the operator/ administrator of the joint system. The Encina Wastewater Authority Board of Directors consists of two representatives from each of the six member agencies. This 12-member board meets monthly to review plant operations, award contracts, and recommend approval of the annual budget by each of the member agencies.

The Encina Water Pollution Control Facility began operating in 1965 as a primary level treatment plant. In 1983, construction was completed which upgraded the treatment to secondary level. In 1984, the plant was granted a waiver and treated its wastewater to an advanced primary level until 1988 when it returned to full secondary treatment. The present design capacity is 36 mgd (liquid capacity) and 38 mgd (solids capacity). Flows during 1992 averaged about 19 mgd. The EWA is not authorized to incur bonded indebtedness, nor to set and collect sewer service or connection fees. Revenues are provided by the member agencies.

Service Area: Encompassing 125 square miles, the service area includes the Cities of Vista and Carlsbad, and a portion of the City of Encinitas as well as adjacent unincorporated territory.

Facilities: The collective system currently consists of a wastewater treatment plant (Encina Water Pollution Control Facility), and an ocean outfall with a proposed biosolids composting facility planned for future construction. The ocean outfall is 7,800 feet long, terminates at a depth of 150 feet, and has a hydraulic capacity of 58 mgd. The outfall not

only serves the Encina Facility, but also acts as a failsafe discharge for three inland satellite reclamation plants owned by the member agencies. The EWA also operates and maintains two large wastewater-pumping stations for the Cities of Carlsbad and Vista as well as a satellite reclamation plant for the Buena Sanitation District.

SAN ELIJO JOINT POWERS AUTHORITY
San Elijo Water Pollution Control Facility
2695 Manchester Avenue
Cardiff, CA 92007
Telephone: (760) 753-6203

Description: The San Elijo Joint Powers Authority (JPA) is an agency that was established in 1964 to construct and operate a wastewater treatment plant to serve the community of Solana Beach and the Cardiff Sanitation District. The plant was built on 27 acres in a small valley just north of the San Elijo Lagoon. The JPA owns an ocean outfall, which terminates at a depth of 150 feet below the mean high tide line, and disperses the effluent 8,000 feet from the coastline. The City of Escondido leases 79% of the outfall's capacity. Treated wastewater sludge is hauled off-site and composted by a private contractor. Planned capital improvements for the facility include construction of tertiary treatment facilities, which will ultimately treat 3.5 mgd for distribution as reclaimed water for various off-site uses, such as golf course maintenance and flower cultivation. A ballast replacement project was completed on the ocean outfall during FY 1993-94.

Service Area: The service area contains approximately 19 square miles and includes a population of approximately 32,000.

Facilities: Originally providing advanced primary wastewater treatment, the facility was upgraded and expanded in 1993 to provide secondary treatment. Disposal of treated effluent is into the ocean through the San Elijo ocean outfall. Ultimate service capacity of the plant will be 5.25 mgd. The two member agencies share ownership equally and provide service by contract to some areas of Rancho Santa Fe and the City of San Diego.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

SEWER SERVICE

WASTEWATER MANAGEMENT DISTRICT

SAN DIEGO AREA WASTEWATER MANAGEMENT DISTRICT
C/O PADRE DAM MUNICIPAL WATER DISTRICT
P.O. Box 719003
10887 Woodside Avenue
Santee, CA 91972-9003
Telephone: (619) 448-3111
FAX: (619) 449-9469

Description: This District was formed in 1992 by special legislation -- the San Diego Area Wastewater Management District Act (SB 1225). The purpose of the legislation was to create an intrajurisdictional district to effectively and economically coordinate the development of collective, regional wastewater transportation and disposal systems; water reclamation and reuse systems; and refuse sludge transfer and disposal systems within San Diego County. The District may acquire, construct, and operate facilities for wastewater collection, treatment, storage, and reclamation or disposal; process, sell, and transport reclaimed water, sludge, and other by-products; and construct, operate, and maintain water and sewer lines and other underground facilities. Territory may be included or excluded from the District in conjunction with annexations to or detachments of property from the boundaries of the member agencies.

Service Area: The District encompasses the Cities of Chula Vista, Coronado, Del Mar, Imperial Beach, La Mesa, National City, Poway, and San Diego, and the Lemon Grove, Lakeside, Alpine, and Spring Valley Sanitation Districts, as well as the Wintergardens Sewer Maintenance District, and portions of the Padre Dam Municipal and Otay Water Districts.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

SCHOOL DISTRICTS

SAN DIEGO COUNTY BOARD OF EDUCATION
6401 Linda Vista Road
San Diego, CA 92111-7399
Telephone: (619) 292-3500
FAX: (619) 268-5864

Description: The San Diego County Board of Education operates as a service agency available to all 43 school districts in the County having kindergarten through 12th grade students.

Service Area: All of San Diego County.

SAN DIEGO COMMUNITY COLLEGE DISTRICT
3375 Camino Del Rio South
San Diego, CA 92108-3883
Telephone: (619) 584-6500
FAX: (619) 584-7311

Description: This District serves approximately 100,000 students each semester at three two-year colleges (Mesa, Miramar, and San Diego City Colleges) and six continuing education centers. The colleges offer associate degrees, arts and sciences programs, as well as certificates in occupational programs that prepare students for entry-level jobs. An additional 45,000 students receive service through programs contracted with the military and operated on military bases.

Service Area: The City of San Diego.

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
8800 Grossmont College Drive
El Cajon, CA 92020-1799
Telephone: (619) 465-1700
FAX: (619) 461-1391

Description: This District has two, 2 two-year colleges -- Cuyamaca and Grossmont Colleges -- with a total enrollment of approximately 20,000.

Service Area: Southeastern San Diego County, including the Cities of El Cajon, La Mesa, and Santee, and the communities of Alpine, Ramona, and Spring Valley.

MIRACOSTA COMMUNITY COLLEGE DISTRICT
One Barnard Drive
Oceanside, CA 92056-3899
Telephone: (760) 757-2121
FAX: (760) 757-2601

Description: This District has one campus--MiraCosta Community College and serves an estimated 7,000 students.

Service Area: Northern coastal San Diego County.

PALOMAR COMMUNITY COLLEGE DISTRICT
1140 West Mission Road
San Marcos, CA 92069-1487
Telephone: (760) 744-1150
FAX: (760) 744-8123

Description: This District contains one campus--Palomar Community College and serves approximately 15,000 students.

Service Area: North central San Diego County.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
900 Otay Lakes Road
Chula Vista, CA 91910-7299
Telephone: (619) 421-6700
FAX: (619) 482-6413

Description: Roughly 12,000 students attend classes at Southwestern College, which is the only community college within this District.

Service Area: Southwestern San Diego County.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

WATER SERVICE

JOINT POWERS AUTHORITY

SWEETWATER AUTHORITY
505 Garrett Avenue
P.O. Box 2328
Chula Vista, CA 91910
Telephone: (619) 420-1413
FAX: (619) 425-7469

Description: Formed in 1972, the Sweetwater Authority is a public water utility established by a joint powers agreement between the South Bay Irrigation District (ID) and National City. From 1972 until 1977, the Authority operated as a financing vehicle to enable public acquisition of the water system then owned by the California-American Water Company. After a public vote approved authorization of bonds, the South Bay ID purchased the system. In 1977, the Sweetwater Authority began operating the water utility with a commitment to retire the South Bay ID debt and assume ownership. The transfer of ownership occurred in 1990 when the Sweetwater Authority exercised its option to purchase the water system from the District by issuing revenue bonds to finance acquisition of the water system by retiring the bonds issued in 1977. Issuing new revenue bonds also enabled the Authority to finance construction of water system improvements. At that time, South Bay ID and National City amended the Joint Powers Agreement to ensure that the conditions of the agreement would remain in effect until the bonds issued by the Sweetwater Authority are retired. The governing body is a seven-member board of directors, comprised of five representatives elected by voters residing within the South Bay ID, and two representatives appointed by the Mayor of National City with approval by the City Council. The Authority can only sell or dispose of property with the approval of five members of the Board.

Delivered to customers via 400 miles of pipeline, water is procured from three sources: (1) deep freshwater wells location in National City; (2) capture of local runoff in the Sweetwater River with subsequent storage at Loveland Reservoir in Alpine, and Sweetwater Reservoir in Spring Valley; and (3) purchase of imported water delivered by the San Diego County Water Authority and the Metropolitan Water District. Revenues are obtained entirely from water sales, fees for service, and returns on investments. The agency receives no tax revenues.

Service Area: The Sweetwater Authority has a population of approximately 160,000, covers a 32 square mile area, and includes National City, portions of Chula Vista, and surrounding unincorporated areas, such as Bonita, Sunnyside, and Lincoln Acres.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

COUNCIL OF GOVERNMENTS

SANDAG
401 B Street #800
San Diego CA, 92101
Telephone: (619) 595-5300
FAX: (619) 595-5305

The San Diego Association of Governments (SANDAG) is a voluntary Council of Governments (COG) of each of the 18 cities in the San Diego region and the County of San Diego. The Board of Directors is composed of a mayor or council member representing each city and a county supervisor. CALTRANS, the Department of Defense, and the City of Tijuana are non-voting members. SANDAG's staff is headed by an Executive Director who is appointed by the Board. Exercising authority delegated by the Board, the Director has administrative responsibility for a professional and support staff of 73, as well as contract consultants and staff loaned from other agencies for specific projects.

The agency resulted from a voluntary committee of area agencies formed in the fifties to resolve regional transportation problems, and to ensure qualification for state and federal highway funds. A Joint Powers Agreement (JPA), creating the COG, was signed in 1966 and modified in 1972 to secure financing from member agencies. Approximately 10% of SANDAG's current $7 million budget is from member assessment, with 38% from federal grants and contracts. The transportation sales tax accounts for 12% and the remaining portion flows from various state grants, contracts, and subventions.

SANDAG's function is to provide comprehensive coordinated planning within the San Diego region. In this role, SANDAG prepares area-wide plans for transportation, open space, housing, water quality, air quality, and energy together with development policies and regional growth forecasts. It maintains an extensive data base which is used in the area-wide plans and in special projects for member agencies. SANDAG serves as the Area-wide Clearinghouse (for federal and state grant applications); Regional Criminal Justice Clearinghouse (for crime related data); and Airport Land Use Commission. SANDAG is the designated Regional Transportation Planning Agency, which has the responsibility to administer the half percent local transportation sales tax approved by voters in 1987. More than $2.2 billion will be generated from the sales tax during the next

20 years. The revenues will help fund improvements to the region's highways, and transit systems.

In November, 1988, the region's voters approved an advisory ballot measure proposing establishment of a Regional Planning and Growth Management Review Board (Proposition C). SANDAG has been assigned this responsibility which was confirmed through an amendment to the JPA. The primary responsibility of SANDAG acting as the Regional Planning and Growth Management Review Board is to prepare a growth management strategy to be completed within one year.

MISCELLANEOUS SPECIAL SERVICES

NOT SUBJECT TO LAFCO REVIEW

ROAD IMPROVEMENT AND MAINTENANCE

PERMANENT ROAD DIVISION

(Sections 1160 - 1197, Streets and Highways Code)

On August 30, 1999, the governor signed into law Senate Bill 614, which became effective January 1, 2000. This Bill implemented changes to the State Permanent Road Division Law and enables counties to provide road improvement and maintenance services by means of a county-wide Permanent Road Division (PRD) without reference to a specific road project and with varying assessments. If formed, a PRD may be utilized in lieu of County Service Areas (CSAs) as the method of providing road improvement and maintenance services. Inquiries regarding the PRD for San Diego County should be directed to:

Special Districts Administration
Department of Public Works
County Operations Center
5555 Overland Avenue
San Diego, CA 92123
Telephone: (858) 694-2198

Description: On February 9, 2000, the San Diego County Board of Supervisors established the San Diego County-wide Permanent Road Division. With the creation of this entity, the provision of road improvement and maintenance services was anticipated to be faster, easier, and less expensive for residents of the unincorporated areas of San Diego County. It was expected that citizens would experience a reduction of approximately 80% in both time and expenses associated with the initiation and on-going performance of road services. In addition, the San Diego County Counsel determined that liability protection under Permanent Road Division Law was more comprehensive than that offered under County Service Area Law. On May 1, 2000, LAFCO approved the dissolution of 58 road CSAs with the PRD designated as successor agency. Territory within the CSAs was divided into zones.

Service Area: All unincorporated territory located within San Diego County.

INDICES

AND

LISTS

AGENCIES NOT SUBJECT TO LAFCO REVIEW
OR
SUBJECT TO LIMITED LAFCO REVIEW

	Page	Map
San Diego County Flood Control District	99	
San Diego Port District	100	
Wintergardens Sewer Maintenance District	101	130
Encina Wastewater Authority	102	
San Elijo Joint Powers Authority	103	
San Diego Area Wastewater Management District	104	
San Diego County Board of Education	105	
San Diego Community College District	105	
Grossmont-Cuyamaca Community College District	106	
MiraCosta Community College District	106	
Palomar Community College District	106	
Southwestern Community College District	107	
Sweetwater Authority	108	
SANDAG	110	
San Diego County Permanent Road Division	112	
San Diego County Water Authority *	113	147

* Subject to limited LAFCO review

EXHIBIT "B"

OPINIONS FROM SAN DIEGO PORT DISTRICT AND STATE LANDS COMMISSION

November 27, 2023

Mr. Keene Simonds, Executive Director
San Diego County Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, California 92123

Re: **San Diego Unified Port District and San Diego County Local Agency Formation Commission**

Dear Mr. Simonds:

On behalf of the San Diego Unified Port District ("Port District"), I want to express my appreciation with receiving notice that San Diego LAFCO ("SD LAFCO") intends to discuss the Port District and SD LAFCO's role as to the Port District, at its December 4, 2023 meeting. In advance of finalization of the agenda materials for the meeting, the Port District respectfully requests a meeting with you, as Executive Director for SD LAFCO, and/or your staff, so that we can continue to discuss the unique nature of the Port District and its operations, and to discuss SD LAFCO's roles and responsibilities as the agency empowered by the California Legislature on the services and boundaries of local agencies within San Diego County. Additionally, we remember that LAFCO was going to reach out and have a discussion with the State Lands Commission and if that has not happened we think it would be a good additional step. As the Port District pointed out in its response to the recent Grand Jury Report, was the false concept that the Port of San Diego has no oversight. In fact we have comprehensive oversight (as do our sister ports in Los Angeles, Long Beach, Oakland and San Francisco) by the State Lands Commission. We firmly believe that Jennifer Lucchesi, the SLC Executive Director, should be a party to any such discussions given the statewide interests. Our hope is that further discussion and dialogue between the Port District, State Lands Commission and SD LAFCO now, would permit both agencies to have a better understanding of the express authority granted to each by the State of California. If it is not possible to schedule such a meeting prior to the December 4, 2023 SD LAFCO meeting, I request that you consider the information set out below regarding the parameters under which the Port District operates, and also request that you share this letter with SD LAFCO's Commissioners.

The Port District Act and Other Relevant State Law

By way of background, and as stated above, the Port District is unique. Unlike other port districts, which are, based on our understanding, formed pursuant to provisions of the Harbor and & Navigations Code that lay out the framework for the local establishment of a port district, the Port District was created directly by the California Legislature pursuant to its adoption of the Unified Port District Act ("Port District Act") (Harbor & Nav. Code App. 1). The Port District is the only agency that can operate under the Port District Act. Under the Port District Act, the Port District is charged by the State of California as the owner and operator of tidelands and submerged lands in San Diego Bay (which are held in public trust), but it is also a U.S. Port of Entry and has

various responsibilities and duties which directly impact intrastate, interstate, and international commerce. In this way the Port is like the Ports of Long Beach, Los Angeles and Oakland and not like an inland port or harbor district.

To implement the policy of the State as codified, Port District activities are subject to the requirements and obligations of the Coastal Act[1] and the Public Trust Doctrine and, where applicable, the oversight by both the Coastal Commission and the State Lands Commission.[2] Specifically, the Port District is charged, under the San Diego Unified Port District Act, with the "development, operation and regulation of harbor works and improvements, including rail and water, for the development, operation, maintenance, control, regulation, and management of San Diego Bay for the promotion of commerce, navigation, fisheries, and recreation…[.]" (Harbor & Nav. Code App. 1, § 4.) Public Resources Code section 6009 establishes that the "purposes and uses of tidelands and submerged lands is a *statewide concern*" and further provides that grantees of tidelands and submerged lands, such as the Port District, must manage them in a manner "consistent with the terms and obligations of their grants and the public trust, *without subjugation of statewide interest, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises*."[3]

The Port District's boundaries are also set by the provisions of the Port District Act. Specifically Section 5 of the Port District Act establishes that its boundaries include the corporate areas of San Diego, Chula Vista, Coronado, National City, and Imperial Beach that established the Port District, and any contiguous unincorporated territory in the County of San Diego ("County"), "which is economically linked to the development and operation of San Diego Bay, included in the district by the board of supervisors of the county as provided in this act." Further, under Section 53 of the Port District Act, "any territory annexed in accordance with law to a city specified in this

---

[1] The California Coastal Act ("Coastal Act") provides specific regulations for a master plan ("Master Plan") for the "Ports of Hueneme, Long Beach, Los Angeles, and *San Diego Unified Port District* located within the coastal zone" because they "constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry." (Pub. Res. Code, §§ 30700 [emphasis added], 30701.) The Coastal Act expressly states the Legislature's intent for the specific regulation of these commercial ports as follows:

> The location of commercial port districts within the State of California … are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state and local regulations. Coastal planning requires no change in the number or location of established commercial port districts. Existing ports … shall be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

(Pub. Res. Code, § 30701.) A copy of the Port District's most current Master Plan can be found at [insert link to Master Plan].

[2] A copy of the Port District's most current Trust Land Use Plan, and draft update, can be found at [Insert link to TLUP].

[3] We hope that the Port District's response to the 2022/2023 San Diego County Grand Jury Report filed June 7, 2023, regarding Governance of San Diego Bay and Its Tidal Land and Regions (Grand Jury Report or Report) can provide SD LAFCO with further information and insights into the distinctive nature of the Port District's operations. Our response can be found at the following link: https://pantheonstorage.blob.core.windows.net/administration/2023%20Port%20Response%20to%20Grand%20Jury%20Report.pdf

act shall, upon the **completion** of such annexation proceedings, be deemed incorporated into and annexed to the district." (Emphasis added.) Stated plainly, our interpretation of the Port District Act is that territory is "deemed" annexed into the Port District following (and not concurrently with) completion LAFCO's action to annex territory into one of the cities within the Port District's statutorily established boundaries.

Additionally, unlike most special districts routinely reviewed by SD LAFCO, the Port District is a U.S. Port of Entry directly responsible for compliance with applicable Federal Laws related thereto, competes and serves in the same market as other cargo and passenger ports along the west coast of the U.S., and serves international businesses and carriers from around the world. As a result, its service area likely includes the entire western United States.

In light of the novel scope of the Port District's various roles and responsibilities, I reiterate my request to have further discussions with you, as Executive Officer of SD LAFCO, and/or your staff, so that the Port District and its relevant staff can better understand the scope of SD LAFCO's informational needs and its thoughts on the nature of its relationship vis-à-vis the Port District.

I look forward to discussing this matter further you.

Sincerely,

Randa Coniglio
Acting President and CEO
San Diego Unified Port District

cc: Thomas Russell, General Counsel, San Diego Unified Port District
Job Nelson, Vice President, Strategy & Policy, San Diego Unified Port District
Simon Kann, Assistant General Counsel, San Diego Unified Port District

DocuSign Envelope ID: B9369113-5C06-47A1-9C26-E5FEA4B815AA

CALIFORNIA STATE LANDS COMMISSION

Established in 1938

EXECUTIVE OFFICE
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

JENNIFER LUCCHESI, *Executive Officer*
916.574.1800
TTY CA Relay Service: **711** *or Phone* **800.735.2922**
from Voice Phone **800.735.2929**
or for Spanish **800.855.3000**

January 24, 2024

VIA EMAIL AND REGULAR MAIL
Keene.Simonds@sdcounty.ca.gov

Mr. Keene Simonds, Executive Officer
San Diego County Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: LAFCO oversight of the San Diego Unified Port District

Dear Mr. Simonds,

State Lands Commission staff understand that the San Diego Local Agency Formation Commission is considering whether it has jurisdiction over the San Diego Unified Port District (the Port). Commission staff have reviewed correspondence between the Port and San Diego LAFCO and LAFCO's December 4 Agenda Item 7a and share the Port's conclusion that the San Diego LAFCO does not have oversight over the Port.

Based on San Diego LAFCO's December 4 Agenda Item, it appears that some of the interest in jurisdiction over the Port stems from a Civil Grand Jury Report's conclusion that the Port does not have sufficient local oversight. Commission staff have reviewed that Grand Jury Report and believe it misunderstood the Port's role as the State's trustee of public trust lands and resources. Commission staff agree with the Port's response to the Report, which correctly explained the Port's unique obligations as the State's trustee and the oversight provided by the State Lands Commission.

The Port manages tidelands and submerged lands in San Diego Bay on behalf of the State, with oversight by the State Lands Commission. Under the Public Trust Doctrine, the State owns tidelands and submerged lands – also sometimes called public trust lands – as the public's trustee, and must manage them to promote maritime commerce, navigation, fisheries, recreation, and

DocuSign Envelope ID: B9369113-5C06-47A1-9C26-E5FEA4B815AA

other water-dependent uses that benefit the statewide, not merely local, public.[1]

Sometimes, the Legislature grants tidelands and submerged land to local agencies to manage on the State's behalf through grant statutes. The State Lands Commission has "[a]ll jurisdiction and authority remaining in the State as to tidelands and submerged lands as to which grants have been or may be made," and the lands "remain subject to the oversight authority of the state by and through the State Lands Commission."[2] The local grantees continue to be bound by the Public Trust Doctrine, and, in addition, act as the State's trustee in management of the granted land and must abide by the terms and conditions of their grant statute.

The Legislature granted tide and submerged land in San Diego Bay to the Port in 1962, through the San Diego Unified Port District Act (Port Act).[3] The Port Act defined the Port's boundaries, including how those boundaries will change[4]; granted the Port the State's tidelands and submerged lands to be used for purposes in the Statewide interest[5]; and empowered it to act to achieve those interests, including outside of Port property.[6] Where the Port Act contemplates oversight of Port actions, such as expenditures outside of Port boundaries, that oversight is entrusted to the State Lands Commission.[7]

The Port is the State's trustee in managing the tidelands and submerged land granted to it and must manage the lands for the benefit of the statewide public, "without subjugation of statewide interests, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises."[8] The Port also has fiduciary duties to the State, including the duty to administer the trust solely in the statewide public's interests, rather than local interests.[9]

The San Diego Unified Port District is different from port and harbor districts formed under the Harbors and Navigation Code. The Port was not formed under the Harbors and Navigation Code's general port district provisions, and not

---

[1] Pub. Resources Code, § 6009, subd. (a), see *Marks v. Whitney* (1971) 6 Cal.3d 251, 259–260.
[2] Pub. Resources Code, §§ 6009, subd. (c); 6301.
[3] Harbor and Nav. Code, App. 1, §§ 1 *et seq.*
[4] Harbor and Nav. Code, App. 1, §§ 5, 53.
[5] Harbor and Nav. Code, App. 1, § 87.
[6] Harbor and Nav. Code, App. 1, §§ 4, 30, 81-85.
[7] Harbor and Nav. Code, App. 1, § 30.5.
[8] Pub. Resources Code, §6009, subd. (d).
[9] Pub. Resources Code, §6009.1., subd. (c)(5).

DocuSign Envelope ID: B9369113-5C06-47A1-9C26-E5FEA4B815AA

every harbor or port district manages legislatively granted land.[10] LAFCO oversight of the Port presents different issues than oversight of other port and harbor districts.[11]

LAFCO's review and potential denial of Port boundary changes, services outside of Port property, and other actions authorized by the Port Act contradict the Legislature's intent in creating the Port. The Legislature already approved these actions as necessary to serve the State's interests. If LAFCO could condition or deny them, it would allow LAFCO to impede the Legislature's intent and override the State Lands Commission's oversight. Therefore, Commission staff conclude that the Port is not subject to LAFCO oversight.

Commission staff is mindful that the San Diego LAFCO promotes the Legislature's objective of promoting efficient and effective governance in San Diego County. The Port is required to prepare Trust Land Use Plans and Port Master Plans that define its long-term management of its granted tidelands and submerged lands, and LAFCO may consult these plans to ensure there is no unnecessary duplication of government services. Commission staff are also happy to discuss any concerns LAFCO may have about Port activities.

Commission staff appreciates the San Diego LAFCO's willingness to consider its perspective. If you have any questions, please contact me at Jennifer.Lucchesi@slc.ca.gov.

Sincerely,

DocuSigned by:
Jennifer Lucchesi
A8DE3BBAE92D437...

JENNIFER LUCCHESI
Executive Officer

[10] For example, the Ventura Port District and Stockton Port District do not have Legislative grants of tidelands and submerged land.

[11] The only district other than the Port formed by a special act contained in the Harbors and Navigation Code Appendix is the Humboldt Bay Harbor, Recreation, and Conservation District. The Legislature explicitly made the Humboldt District subject to LAFCO oversight under a predecessor to the Cortese-Knox-Hertzberg Act. (See Harb. & Nav. Code, § App. 2, § 79.) By contrast, the Port Act predated the predecessor LAFCO laws and was intended to solely govern the Port's organization.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

CALIFORNIA STATE LANDS COMMISSION

Established in 1938

EXECUTIVE OFFICE
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

JENNIFER LUCCHESI, *Executive Officer*
916.574.1800
TTY CA Relay Service: **711** *or Phone* **800.735.2922**
from Voice Phone **800.735.2929**
or for Spanish **800.855.3000**

March 1, 2024

VIA EMAIL
keene.simonds@sdcounty.ca.gov

Mr. Keene Simonds, Executive Director
San Diego County Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, CA 92123

Subject: Agenda Item No. 8a, March 4, 2024 LAFCO Meeting, Final Administrative Assessment, LAFCO Oversight Duties and the Port of San Diego

Dear Mr. Simonds,

State Lands Commission staff received your February 20, 2024 letter, and appreciates your explanation of San Diego County Local Agency Formation Commission (SD LAFCO) staff's reasoning. After reviewing the letter, State Lands Commission staff continues to assert that the SD LAFCO does not have jurisdiction over the San Diego Unified Port District (Port). Please share this letter with the SD LAFCO Commissioners for their consideration in connection with Agenda Item 8a at the March 4 SD LAFCO meeting.

It is worth reiterating that the Legislature formed the Port to manage the State's sovereign tidelands and submerged lands in San Diego Bay, and not to provide local municipal services.[1] The Port, as the State's grantee, takes on the same duties and restrictions in managing the tidelands and submerged lands as the

[1] The Legislature formed the Port for the management of "the harbor of San Diego upon the tidelands and lands lying under the inland navigable waters of San Diego Bay, and for the promotion of commerce, navigation, fisheries, and recreation thereon…" (Harb. & Nav. Code, § App. 1, § 4, subd. (a). The Port also protects physical access to the bay, the bay's natural resources, and the bay's water quality. (Harb. & Nav. Code, § App. 1, § 4, subd. (b).) The

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

State[2]; it may only use sovereign lands, and funds generated by those lands, for uses that benefit the statewide public.[3] This obligation to use trust lands for statewide purposes doesn't apply to only granted tidelands; in fact any property that is acquired by the Port, using funds generated through their administration of the legislatively granted land, becomes "an asset of the public trust" and is held under the same restrictions as granted sovereign land, including the obligation that it be used for statewide, rather than local, benefit.[4] As such, changes in the boundaries and ownership interests of the land held by the Port is actually an extension of the State's ownership rights and responsibilities in the after acquired lands.

The Port's core responsibilities are inherently tied to, and an extension of, the State's obligation to manage sovereign lands, and those after acquired lands, on behalf of the Statewide public under the Public Trust Doctrine.[5] While the Port does have other authorities, including certain regulatory and police powers, they are directly linked to the Port's tidelands and submerged lands management.[6] Consequently, contrary to the assertion that SD LAFCO oversight of the Port's jurisdictional boundaries beyond the granted lands, and lands the Port owns, would not impact the Commission's oversight of the granted and after acquired lands,

---

[2] Pub. Resources Code, § 6009, subd. (d) ("Grantees are required to manage the state's tidelands and submerged lands consistent with the terms and obligations of their grants and the public trust, without subjugation of statewide interests, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises."); See, e.g., *Mallon v. City of Long Beach* (1955) 44 Cal.2d 199, 209 ["It is clear in the present case that any interest of the City of Long Beach in the tidelands was acquired not as a 'municipal affair,' but subject to a public trust to develop its harbor and navigation facilities for the benefit of the entire state, and was therefore subject to the control of the Legislature."]

[3] Harb. & Nav. Code, § App. 1, § 87, subd. (a); see *City of Long Beach v. Morse* (1947) 31 Cal.2d 254, 257 ["Whether the fund should be regarded as part of the corpus of the trust or merely as a part of the rents and profits of the land, the city as trustee has no right to devote the proceeds to general municipal improvements unconnected with the trust purposes."]

[4] Harb. & Nav. Code, § App. 1, § 30.5, subd. (e).

[5] See, e.g*., People ex inf. Webb v. California Fish Co.* (1913) 166 Cal. 576, 584 [describing the Public Trust Doctrine as the "well-established proposition that the lands lying between the lines of ordinary high and low tide, as well as that within a bay or harbor, and permanently covered by its waters, belong to the state in its sovereign character, and are held in trust for the public purposes of navigation and fishery."]

[6] For example, the Port may adopt rules and regulations related to "public services and public utilities in the district, operated in connection with or for the promotion or accommodation of commerce, navigation, fisheries, and recreation therein as are now vested in the district" – in other words, for the promotion of the Port's duties under the Public Trust Doctrine. (Harb. & Nav. Code, § App. 1, § 56.) It may issue bonds, and collect taxes to pay those bonds, for the "acquisition or improvement of real property, authorized by this act or necessary or convenient for the carrying out of the powers of the district[.]" (Harb. & Nav. Code, § App. 1, § 42.) And it may collect assessments, special taxes, and bonds for "waterway construction projects and related operations and maintenance, or operations and maintenance projects[.]" (Harb. & Nav. Code, § App. 1, § 61, subd. (a).) All these authorities are limited to furthering the Port's core purpose of managing the State's tidelands and submerged lands for the benefit of the statewide public.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

Commission staff believes that SD LAFCO oversight could in fact interfere with the Ports obligations to the State, as the State's grantee, by impacting the Port's duty to manage its lands in the State's best interests.

Additionally, Commission staff do not contest that the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 says that LAFCOs have jurisdiction over districts created by special acts or that the Legislature created the Port through a special act. Rather, staff sought to highlight, in the previous letter, that the Legislature's creation of the Port through a special act preceded the SD LAFCO's creation and that the granting statutes for the Port of San Diego differ from port districts created or established after the Cortese Knox Hertzberg Local Government Reorganization Act and the District Reorganization Act of 1965. Staff believes that all of these facts must be considered, alongside the other factors discussed in our letters, as indicators of the Legislature's intent that the Port is not subject to SD LAFCO oversight.

Staff does not share SD LAFCO's conclusion that the provision requiring SD LAFCO to defer to the State Lands Commission over boundaries involving tidelands resolves any potential conflicts between State Lands Commission oversight and SD LAFCO oversight. The provision does not address conflicts created by the Ports purchase of after acquired lands, or by the potential for SD LAFCO to deny outside-boundary service changes, annexations, or initiate its own changes of organization, all of which may impact the Port's sovereign land management responsibilities.[7]

We are aware that other harbor and port districts that manage granted lands may be subject to LAFCO oversight. But LAFCO oversight of these districts does not implicate the same concerns as SD LAFCO oversight of the Port.[8] Unlike other harbor and port districts, all land the Port manages is either granted sovereign land, or subsequently acquired land that is held "as an asset of the public trust."[9] This, combined with the Legislature's specific purpose in creating the Port, and the Port's

---

[7] As a note, staff does not agree with SD LAFCO staff's interpretation of the phrase "by operation of law" in the Port Act. The phrase "operation of law" means "The means by which a right or a liability is created for a party regardless of the party's actual intent." (OPERATION OF LAW, Black's Law Dictionary (11th ed. 2019).) In other words, this Port Act language refers to situations when an action, like dissolution, is required by another law, not that anther law must provide the Port's mechanism for the action.
[8] Commission staff has not previously analyzed concerns of conflict between LAFCO oversight and those districts' granted lands responsibilities. Even for those entities, staff would likely conclude that LAFCO oversight cannot interfere with a grantee's duties to manage granted sovereign lands on behalf of the statewide public.
[9] Harb. & Nav. Code, § App. 1, § 30.5, subd. (e).

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

charge to act solely in the statewide public interest, rather than local, means that SD LAFCO oversight of the Port presents unique and likely unavoidable conflicts.

State Lands Commission staff stand by the initial position that the Legislature's purpose in creating the Port, based on the language of the Port Act and the Port's unique responsibilities to serve the statewide public, militates against a conclusion that the SD LAFCO has jurisdiction over the San Diego Unified Port District. [10] This conclusion is reinforced by the fact SD LAFCO has never before, in the nearly 60 years since LAFCOs were empowered to oversee special districts, exercised jurisdiction over the Port. Therefore, staff supports Agenda Item No. 8a's Alternative Two, confirming that the Port is not subject to SD LAFCO's oversight. Alternatively, if SD LAFCO decides to continue this item to a future meeting consistent with Alternative Three, State Lands Commission staff is available to discuss next steps with SD LAFCO staff.

Sincerely,

DocuSigned by:
Jennifer Lucchesi
A8DE3BBAE92D437...

JENNIFER LUCCHESI
Executive Officer

Attachments

1. Letter from SD LAFCO staff, dated February 20, 2024
2. Letter from State Lands Commission staff, dated January 24, 2024

cc:

Randa Coniglio, President and CEO, San Diego Unified Port District
Job Nelson, Vice President of Strategy and Policy, San Diego Unified Port District
Thomas Russell, General Counsel, San Diego Unified Port District

[10] This letter should not be construed as conceding or otherwise dismissing additional conflicts and issues not mentioned. For example, were SD LAFCO to invoice the Port for contribution to its budget, there may be a conflict with the Port's expenditure restrictions.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

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

February 20, 2024

Delivered by Electronic Mail:
Ms. Jennifer Lucchesi, Executive Officer
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, California 95825-8202
Jennifer.Lucchesi@slc.ca.gov

SUBJECT: San Diego Unified Port District

Ms. Lucchesi:

Thank you for your letter dated January 24th to the San Diego County Local Agency Formation Commission (LAFCO) regarding the San Diego Unified Port District ("Port"). The letter is well-timed given our current evaluation on whether LAFCO's oversight powers and duties involving special districts apply to the Port. The letter concludes the State Lands Commission (SLC) staff shares "the Port's conclusion that the San Diego LAFCO does not have oversight over the Port."

I have reviewed the letter with the assistance of outside counsel and respectfully believe there are material misunderstandings regarding LAFCO statute undercutting the SLC staff conclusion. Relatedly, there are other material misunderstandings or omissions involving the existing inter-relationships between LAFCO and other State agents – including SLC – in fulfilling our respective tasks creating substantive pause in endorsing the SLC staff conclusion. Accordingly, while it remains possible LAFCO ultimately reaches a similar conclusion – i.e., the Port is not subject to LAFCO – it is my observation the criteria to do so will differ and/or incorporate additional factors.

The following points are offered in support of the preceding statements. These points are numbered to generally – although not entirely – follow the sequence of comments in the SLC letter and prefaced on the open invitation to schedule a meeting to discuss in more detail.

1. LAFCO staff acknowledges and respects SLC's task and exclusive jurisdiction related to "public trust lands," which include tidelands and submerged lands of the State. LAFCO staff similarly acknowledges the Port manages tidelands and submerged lands in San Diego Bay consistent with the oversight by SLC and pursuant to the Port District's enabling statute, the San Diego Unified Port District Act – or Port Act.

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103-6624
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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Vacant, General Public
Harry Mathis, Alt., General Public

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

2. Notwithstanding the above acknowledgments, the Port's authority and powers (active and latent) are not bound to managing certain State public trust lands. This is reflected – among other measurements – in the Port's jurisdictional boundary extending inland by more than 20 straight-line miles from the Bay in capturing the entirety of Chula Vista, Coronado, Imperial Beach, National City, and San Diego.

3. LAFCO is a State agency tasked with administering the Cortese Knox Hertzberg Local Government Reorganization Act – or CKH – with delegated oversight to help ensure cities and special districts' boundaries and municipal services are orderly, sustainable, and accountable. The State's delegation includes exclusive authority over local agency change of organizations – like special district annexations, detachments, and dissolutions.[1] CKH also provides cities and special districts must receive LAFCO approval before providing services outside their jurisdictional boundaries by contract or agreement.[2]

4. LAFCO is also tasked with certain planning duties to independently inform its oversight responsibilities. This includes regularly performing studies – e.g., municipal service reviews – to "contribute to the logical and reasonable development of local agencies" and "to shape the development of local agencies to advantageously provide for the present and future needs of each county and its communities."[3] Furthermore, the State empowers LAFCO to initiate certain change of organizations involving special districts if consistent with study recommendations.[4]

5. The SLC letter asserts the establishment of the Port through a special act materially separates it from other port and harbor districts overseen by LAFCOs. CKH does not make this distinction. Instead, CKH defines special districts for the purpose of delineating LAFCO oversight as follows:

   ""District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act..." [5]

6. SLC's letter asserts the Port Act provides SLC with exclusive oversight of the Port. This position does not seem supported by the provisions presented in the letter; it also counters existing statutes and related procedures. Consider the following.

   a) The SLC letter references the Port Act establishes procedures for how the Port's boundary may change. LAFCO staff concurs. This includes acknowledging the Port Act provides for the ministerial annexation of new territory to the Port in step with remaining coterminous with the boundaries of its five-member cities (Chula Vista, et al.). CKH readily reconciles these types of ministerial or otherwise scripted annexations within special districts' principal acts and provides that these actions proceed while LAFCO retains ultimate oversight.[6]

---

[1] CKH defines change of organizations to include city incorporations and disincorporations, district formations and dissolutions, city and district annexations and detachments, mergers and consolidations, and activations and divestitures of district functions and classes (Government Code 56021).
[2] Reference to Government Code 56133.
[3] Reference to Government Code 56301.
[4] Reference to Government Code 56375(a).
[5] Reference to Government Code Section 56306.
[6] Reference to Government Code 56120.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

b) The Port Act states the Port may annex additional territory and/or be dissolved by "operation of law." LAFCO staff is not aware of another State agent authorized to conduct these jurisdictional procedures. Accordingly, it appears the operation in law would fall to LAFCO to effectuate an annexation of additional territory to the Port or dissolution of the Port.

c) CKH addresses the inter-relationship between SLC and LAFCO through complementary and reconciling procedures. Specifically, CKH provides LAFCO must defer to SLC when boundary changes involve tidelands and submerged lands.[7] CKH equally provides SLC shall report its determinations to LAFCO and "thereafter, filings and action may be taken" by LAFCO.[8]

7. The SLC letter states the Port Act predates CKH and its predecessor laws and intended to solely govern the Port's organization. CKH contemplates conflicts and/or omissions with principal acts given – and as cited – many special districts' enabling legislation predate LAFCO with the following remedy:

   "It is not necessary for the principal act of any district to adopt or incorporate this division by reference and any change of organization or reorganization provided for by this division may be made by, or with respect to, any district."[9]

8. The SLC letter asserts LAFCO oversight and the potential to deny or condition Port boundary changes, outside services, and other actions provided in the Port Act contradicts the State's intention in creating the Port in 1962. The letter further asserts LAFCO oversight would negatively impact SLC oversight. These assertions lack harmony with the referenced reconciliations in CKH as well as existing conditions throughout coastal California where several local agencies with granted public trust properties already operate with oversight from both SLC and LAFCO.[10]

As mentioned, the above observations are offered in my role as Executive Officer with the intention of sharpening the ongoing administrative review on the appropriate relationship between LAFCO and the Port going forward. Should SLC staff have additional comments on the topic, please note we anticipate forwarding our final analysis at LAFCO's March 4, 2024 meeting. Additional comments provided prior to the meeting will be forwarded to the LAFCO membership.

Respectfully,



Keene Simonds
Executive Officer

[7] Reference to Government Code 56740.
[8] Reference to Government Code 56740(e).
[9] Reference to Government Code 56119.
[10] The SLC website currently lists more than 50 cities and special districts that have been granted management of public trust properties. This includes the Noyo Harbor District (Mendocino), Moss Landing Habor District (Monterey), Crescent City Habor District (Del Norte), Port San Luis Harbor District (San Luis Obispo), and Santa Cruz Port District (Santa Cruz). All of these special districts are overseen by their respective county LAFCO.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

San Diego LAFCO
February 20, 2024
Letter to SLC Regarding the San Diego Unified Port District

Attachments:

1) SLC Letter, Dated January 24, 2024

cc:

Chair Stephen Whitburn
Vice Chair Barry Willis
Outside Counsel DeeAnne Gillick
AEO Priscilla Mumpower
LAFCO Consultant Chris Cate
LAFCO Consultant Adam Wilson
Port President and CEO Randa Coniglio
Port Vice President of Strategy and Policy Job Nelson

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

CALIFORNIA STATE LANDS COMMISSION

Established in 1938

EXECUTIVE OFFICE
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

JENNIFER LUCCHESI, *Executive Officer*
916.574.1800
TTY CA Relay Service: **711** *or Phone* **800.735.2922**
from Voice Phone **800.735.2929**
or for Spanish **800.855.3000**

January 24, 2024

VIA EMAIL AND REGULAR MAIL
Keene.Simonds@sdcounty.ca.gov

Mr. Keene Simonds, Executive Officer
San Diego County Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: LAFCO oversight of the San Diego Unified Port District

Dear Mr. Simonds,

State Lands Commission staff understand that the San Diego Local Agency Formation Commission is considering whether it has jurisdiction over the San Diego Unified Port District (the Port). Commission staff have reviewed correspondence between the Port and San Diego LAFCO and LAFCO's December 4 Agenda Item 7a and share the Port's conclusion that the San Diego LAFCO does not have oversight over the Port.

Based on San Diego LAFCO's December 4 Agenda Item, it appears that some of the interest in jurisdiction over the Port stems from a Civil Grand Jury Report's conclusion that the Port does not have sufficient local oversight. Commission staff have reviewed that Grand Jury Report and believe it misunderstood the Port's role as the State's trustee of public trust lands and resources. Commission staff agree with the Port's response to the Report, which correctly explained the Port's unique obligations as the State's trustee and the oversight provided by the State Lands Commission.

The Port manages tidelands and submerged lands in San Diego Bay on behalf of the State, with oversight by the State Lands Commission. Under the Public Trust Doctrine, the State owns tidelands and submerged lands – also sometimes called public trust lands – as the public's trustee, and must manage them to promote maritime commerce, navigation, fisheries, recreation, and

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

other water-dependent uses that benefit the statewide, not merely local, public.[1]

Sometimes, the Legislature grants tidelands and submerged land to local agencies to manage on the State's behalf through grant statutes. The State Lands Commission has "[a]ll jurisdiction and authority remaining in the State as to tidelands and submerged lands as to which grants have been or may be made," and the lands "remain subject to the oversight authority of the state by and through the State Lands Commission."[2] The local grantees continue to be bound by the Public Trust Doctrine, and, in addition, act as the State's trustee in management of the granted land and must abide by the terms and conditions of their grant statute.

The Legislature granted tide and submerged land in San Diego Bay to the Port in 1962, through the San Diego Unified Port District Act (Port Act).[3] The Port Act defined the Port's boundaries, including how those boundaries will change[4]; granted the Port the State's tidelands and submerged lands to be used for purposes in the Statewide interest[5]; and empowered it to act to achieve those interests, including outside of Port property.[6] Where the Port Act contemplates oversight of Port actions, such as expenditures outside of Port boundaries, that oversight is entrusted to the State Lands Commission.[7]

The Port is the State's trustee in managing the tidelands and submerged land granted to it and must manage the lands for the benefit of the statewide public, "without subjugation of statewide interests, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises."[8] The Port also has fiduciary duties to the State, including the duty to administer the trust solely in the statewide public's interests, rather than local interests.[9]

The San Diego Unified Port District is different from port and harbor districts formed under the Harbors and Navigation Code. The Port was not formed under the Harbors and Navigation Code's general port district provisions, and not

---

[1] Pub. Resources Code, § 6009, subd. (a), see *Marks v. Whitney* (1971) 6 Cal.3d 251, 259–260.
[2] Pub. Resources Code, §§ 6009, subd. (c); 6301.
[3] Harbor and Nav. Code, App. 1, §§ 1 *et seq.*
[4] Harbor and Nav. Code, App. 1, §§ 5, 53.
[5] Harbor and Nav. Code, App. 1, § 87.
[6] Harbor and Nav. Code, App. 1, §§ 4, 30, 81-85.
[7] Harbor and Nav. Code, App. 1, § 30.5.
[8] Pub. Resources Code, §6009, subd. (d).
[9] Pub. Resources Code, §6009.1., subd. (c)(5).

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

every harbor or port district manages legislatively granted land.[10] LAFCO oversight of the Port presents different issues than oversight of other port and harbor districts.[11]

LAFCO's review and potential denial of Port boundary changes, services outside of Port property, and other actions authorized by the Port Act contradict the Legislature's intent in creating the Port. The Legislature already approved these actions as necessary to serve the State's interests. If LAFCO could condition or deny them, it would allow LAFCO to impede the Legislature's intent and override the State Lands Commission's oversight. Therefore, Commission staff conclude that the Port is not subject to LAFCO oversight.

Commission staff is mindful that the San Diego LAFCO promotes the Legislature's objective of promoting efficient and effective governance in San Diego County. The Port is required to prepare Trust Land Use Plans and Port Master Plans that define its long-term management of its granted tidelands and submerged lands, and LAFCO may consult these plans to ensure there is no unnecessary duplication of government services. Commission staff are also happy to discuss any concerns LAFCO may have about Port activities.

Commission staff appreciates the San Diego LAFCO's willingness to consider its perspective. If you have any questions, please contact me at Jennifer.Lucchesi@slc.ca.gov.

Sincerely,

DocuSigned by:
Jennifer Lucchesi
A8DE3BBAE92D437...

JENNIFER LUCCHESI
Executive Officer

[10] For example, the Ventura Port District and Stockton Port District do not have Legislative grants of tidelands and submerged land.

[11] The only district other than the Port formed by a special act contained in the Harbors and Navigation Code Appendix is the Humboldt Bay Harbor, Recreation, and Conservation District. The Legislature explicitly made the Humboldt District subject to LAFCO oversight under a predecessor to the Cortese-Knox-Hertzberg Act. (See Harb. & Nav. Code, § App. 2, § 79.) By contrast, the Port Act predated the predecessor LAFCO laws and was intended to solely govern the Port's organization.

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

CALIFORNIA STATE LANDS COMMISSION

Established in 1938

EXECUTIVE OFFICE
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

JENNIFER LUCCHESI, *Executive Officer*
916.574.1800
TTY CA Relay Service: **711** *or Phone* **800.735.2922**
from Voice Phone **800.735.2929**
or for Spanish **800.855.3000**

January 24, 2024

VIA EMAIL AND REGULAR MAIL
Keene.Simonds@sdcounty.ca.gov

Mr. Keene Simonds, Executive Officer
San Diego County Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: LAFCO oversight of the San Diego Unified Port District

Dear Mr. Simonds,

State Lands Commission staff understand that the San Diego Local Agency Formation Commission is considering whether it has jurisdiction over the San Diego Unified Port District (the Port). Commission staff have reviewed correspondence between the Port and San Diego LAFCO and LAFCO's December 4 Agenda Item 7a and share the Port's conclusion that the San Diego LAFCO does not have oversight over the Port.

Based on San Diego LAFCO's December 4 Agenda Item, it appears that some of the interest in jurisdiction over the Port stems from a Civil Grand Jury Report's conclusion that the Port does not have sufficient local oversight. Commission staff have reviewed that Grand Jury Report and believe it misunderstood the Port's role as the State's trustee of public trust lands and resources. Commission staff agree with the Port's response to the Report, which correctly explained the Port's unique obligations as the State's trustee and the oversight provided by the State Lands Commission.

The Port manages tidelands and submerged lands in San Diego Bay on behalf of the State, with oversight by the State Lands Commission. Under the Public Trust Doctrine, the State owns tidelands and submerged lands – also sometimes called public trust lands – as the public's trustee, and must manage them to promote maritime commerce, navigation, fisheries, recreation, and

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

other water-dependent uses that benefit the statewide, not merely local, public.[1]

Sometimes, the Legislature grants tidelands and submerged land to local agencies to manage on the State's behalf through grant statutes. The State Lands Commission has "[a]ll jurisdiction and authority remaining in the State as to tidelands and submerged lands as to which grants have been or may be made," and the lands "remain subject to the oversight authority of the state by and through the State Lands Commission."[2] The local grantees continue to be bound by the Public Trust Doctrine, and, in addition, act as the State's trustee in management of the granted land and must abide by the terms and conditions of their grant statute.

The Legislature granted tide and submerged land in San Diego Bay to the Port in 1962, through the San Diego Unified Port District Act (Port Act).[3] The Port Act defined the Port's boundaries, including how those boundaries will change[4]; granted the Port the State's tidelands and submerged lands to be used for purposes in the Statewide interest[5]; and empowered it to act to achieve those interests, including outside of Port property.[6] Where the Port Act contemplates oversight of Port actions, such as expenditures outside of Port boundaries, that oversight is entrusted to the State Lands Commission.[7]

The Port is the State's trustee in managing the tidelands and submerged land granted to it and must manage the lands for the benefit of the statewide public, "without subjugation of statewide interests, concerns, or benefits to the inclination of local or municipal affairs, initiatives, or excises."[8] The Port also has fiduciary duties to the State, including the duty to administer the trust solely in the statewide public's interests, rather than local interests.[9]

The San Diego Unified Port District is different from port and harbor districts formed under the Harbors and Navigation Code. The Port was not formed under the Harbors and Navigation Code's general port district provisions, and not

---

[1] Pub. Resources Code, § 6009, subd. (a), see *Marks v. Whitney* (1971) 6 Cal.3d 251, 259–260.
[2] Pub. Resources Code, §§ 6009, subd. (c); 6301.
[3] Harbor and Nav. Code, App. 1, §§ 1 *et seq.*
[4] Harbor and Nav. Code, App. 1, §§ 5, 53.
[5] Harbor and Nav. Code, App. 1, § 87.
[6] Harbor and Nav. Code, App. 1, §§ 4, 30, 81-85.
[7] Harbor and Nav. Code, App. 1, § 30.5.
[8] Pub. Resources Code, §6009, subd. (d).
[9] Pub. Resources Code, §6009.1., subd. (c)(5).

DocuSign Envelope ID: 89969369-133C-41F6-A13B-F11E6C6A1204

every harbor or port district manages legislatively granted land.[10] LAFCO oversight of the Port presents different issues than oversight of other port and harbor districts.[11]

LAFCO's review and potential denial of Port boundary changes, services outside of Port property, and other actions authorized by the Port Act contradict the Legislature's intent in creating the Port. The Legislature already approved these actions as necessary to serve the State's interests. If LAFCO could condition or deny them, it would allow LAFCO to impede the Legislature's intent and override the State Lands Commission's oversight. Therefore, Commission staff conclude that the Port is not subject to LAFCO oversight.

Commission staff is mindful that the San Diego LAFCO promotes the Legislature's objective of promoting efficient and effective governance in San Diego County. The Port is required to prepare Trust Land Use Plans and Port Master Plans that define its long-term management of its granted tidelands and submerged lands, and LAFCO may consult these plans to ensure there is no unnecessary duplication of government services. Commission staff are also happy to discuss any concerns LAFCO may have about Port activities.

Commission staff appreciates the San Diego LAFCO's willingness to consider its perspective. If you have any questions, please contact me at Jennifer.Lucchesi@slc.ca.gov.

Sincerely,

DocuSigned by:
Jennifer Lucchesi
A8DE3BBAE92D437...

JENNIFER LUCCHESI
Executive Officer

[10] For example, the Ventura Port District and Stockton Port District do not have Legislative grants of tidelands and submerged land.

[11] The only district other than the Port formed by a special act contained in the Harbors and Navigation Code Appendix is the Humboldt Bay Harbor, Recreation, and Conservation District. The Legislature explicitly made the Humboldt District subject to LAFCO oversight under a predecessor to the Cortese-Knox-Hertzberg Act. (See Harb. & Nav. Code, § App. 2, § 79.) By contrast, the Port Act predated the predecessor LAFCO laws and was intended to solely govern the Port's organization.

Blank for Photocopying

Simonds,Keene

From: Simonds,Keene
Sent: Friday, April 5, 2024 10:47 AM
To: Shiraz Tangri
Cc: Paula deSousa; Mumpower, Priscilla; dgillick@sloansakai.com; Chris Cate; Adam Wilson
Subject: RE: SD Unified Port District - Request for Reconsideration of SD LAFCO Commission Action on 3/4/2024 (Agenda Item 8a)

Hi Shiraz –

Thank you for your email below and subsequent hard copy filing of a request for reconsideration involving LAFCO's approval on March 4th to add the Port to the list of special districts under LAFCO oversight.

As the cover letter provides, the request is being made by the Port under LAFCO Rule No. 3.4(2), which allows any "person or affected agency" to request reconsideration by the Commission of actions taken without resolution.

In reviewing the actual submittal, unfortunately, the request does not qualify for reconsideration by the Commission since the Port does not qualify as an "affected agency" under the applicable definition provided in Government Code Section 56014 as cited below…

CHAPTER 2. DEFINITIONS

Definitions	**56010**. Unless the provision or context otherwise requires, the definitions contained in this chapter govern the construction of this division. The definition of a word applies to any of that word's variants.
"Affected city"	**56011**. "Affected city" means any city that contains or would contain, or whose sphere of influence contains or would contain territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization.
"Affected county"	**56012**. "Affected county" means any county that contains, or would contain, any territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization or that contains all or any part of a district for which a change of organization or reorganization is proposed with respect to territory outside that county.
"Affected district"	**56013**. "Affected district" means any special district, as defined by Section 56036, that contains or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization.
"Affected local agency"	**56014**. "Affected local agency" means any local agency that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization or for which a study is to be reviewed by the commission.

Tying eligibility to an affected agency as defined – pertinently – is consistent with the statutory provision in CKH that allows for a limited range of reconsiderations under 56895 and in doing so curbing the potential for all LAFCO approval actions – like policies, legislative positions, fee waivers, budget amendments, and the like – to get caught up in reconsideration uncertainties.

This said, I appreciate the importance of the topic to the Port and LAFCO remains 100% committed to working together and helping each other achieve our statutory purposes.

Look forward to hearing from you.

Keene

From: Shiraz Tangri <stangri@portofsandiego.org>
Sent: Wednesday, April 3, 2024 3:03 PM
To: Simonds,Keene <Keene.Simonds@sdcounty.ca.gov>
Cc: Jennifer.Lucchesi@slc.ca.gov; StephenWhitburn@sandiego.gov; – Baron Willis <bwillis@alpinefire.org>; Desmond, Jim <Jim.Desmond@sdcounty.ca.gov>; Anderson, Joel <Joel.Anderson@sdcounty.ca.gov>; kbecker@cosb.org; – Dane White <dawhite@escondido.org>; mackgroup@cox.net
Subject: [External] SD Unified Port District - Request for Reconsideration of SD LAFCO Commission Action on 3/4/2024 (Agenda Item 8a)

Dear Mr. Simonds –

Please find attached the San Diego Unified Port District's request for reconsideration of the San Diego LAFCO Commission's action on March 4, 2024 on Agenda Item 8a. A hard copy will follow.

Please confirm receipt at your earliest convenience. Thank you.

Shiraz D. Tangri
Deputy General Counsel
Office of the General Counsel

3165 Pacific Highway, San Diego, CA 92101
(o) 619.817.8916 • (c) 619.643.8626

PORT of SAN DIEGO

connect:

CONFIDENTIALITY NOTICE: The information contained in this e-mail message, and any accompanying documents, may contain confidential information exempt from disclosure under California Government Code § 6250 et seq. and/or subject to the public entity attorney-client privilege and/or attorney-work product rule. The information in this e-mail message is intended only for the use of the individual or entity named above. The information herein may also be protected by the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-21. Any dissemination, distribution or copying of this communication without express prior permission is strictly prohibited. If the reader of this message is not the intended recipient, or the person responsible for delivering the message to the intended recipient, or representative of the recipient, or if you have received this communication in error, you are hereby notified that any retransmission (except to notify the sender), dissemination or other use of, or taking any action in reliance upon this information or communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail and delete this message and any copies of it from any computer system.

Port administration offices are open Monday-Thursday and every other Friday from 8am-5pm.

Blank for Photocopying

Blank for Photocopying

BBK
BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Paula C. P. de Sousa
Partner
(619) 525-1328
paula.desousa@bbklaw.com

April 18, 2024

VIA EMAIL [KEENE.SIMONDS@SDCOUNTY.CA.GOV]

Keene Simonds, Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Re: Request for Reconsideration of Commission Action on March 4, 2024 (Agenda Item 8a)

Dear Mr. Simonds:

We represent the San Diego Unified Port District ("San Diego Port District") as special counsel on its April 3, 2024 request for reconsideration ("Request") of the San Diego Local Agency Formation Commission's ("SD LAFCO") March 4, 2024 action on Agenda Item 8a making a determination regarding the San Diego Port District ("LAFCO Determination"). This letter is in response to your email to our client (via Deputy General Counsel Shiraz Tangri) dated April 5, 2024. In that email, you asserted that "the request does not qualify for reconsideration by the Commission since the Port does not qualify as an 'affected agency' under the applicable definition …."

Based on your April 5, 2024 e-mail, we understand that SD LAFCO will not reconsider the LAFCO Determination pursuant to SD LAFCO Rule 3.4(2). Further, SD LAFCO will not include the Request on its May 6, 2024 agenda pursuant to SD LAFCO Rule 3.4(2)(e). We also note that your e-mail did not identify any other basis for reconsideration or other review by SD LAFCO of the LAFCO Determination. Please contact us immediately if you disagree with or need to clarify any of the understandings set forth above.

The San Diego Port District strongly disagrees with your refusal to allow the SD LAFCO Commissioners to reconsider the Request. Your unilateral denial of the Request without a meeting or hearing is incorrect for the following reasons, among others:

First, your denial of the Request is improper because the San Diego Port District is a "person" with standing to seek reconsideration under SD LAFCO Rule 3.4(2). Rule 3.4(2)(a) authorizes requests "for reconsideration of a commission determination for which a resolution was not adopted" pursuant to a written request filed by "[a]ny person or affected agency." Section 28 of the San Diego Unified Port District Act (Harbor & Nav. Code App. 1) provides explicitly that the San Diego Port District "is a public corporation" created for the purposes set out in that Act. California law provides that unless a law specifically limits the powers of a

public corporation, that corporation should be considered a legal "person." (*State v. Marin Mun. Water Dist.* (1941) 17 Cal.2d 699 ["It is a well established doctrine that general words in a statute will not be construed to limit the otherwise valid power of the state or its subdivisions unless that result was specifically intended by the legislature."].) There is nothing in the text of Rule 3.4(2) to suggest that it is intended to deprive public corporations like the San Diego Port District—as legal persons—of the opportunity to seek SD LAFCO redress. We also note that your April 5, 2024 e-mail completely ignores the "any person" language in Rule 3.4(2).

Second, your assertion that the San Diego Port District is not an "affected agency" entitled to seek reconsideration is also flawed. The term "affected agency" is not defined in Rule 3.4(2) or elsewhere in the SD LAFCO rules. Applying the common sense, plain language meaning of that term, there is no question that the San Diego Port District is an affected agency with regard to the LAFCO Determination. That determination specifically addressed SD LAFCO's oversight duties related to the San Diego Port District – and no other agencies. As such, your denial of the Request ignores the plain language of SD LAFCO's own procedural rules.

Your denial cannot be justified by its reference to the definition of "affected local agency" in Government Code section 56014. We note that the statutory definition quoted in your e-mail is not cited or cross-referenced in SD LAFCO Rule 3.4(2), which does not even use the phrase "affected local agency." Instead, Rule 3.4(2) uses the broader term "affected agency" to include any agency seeking reconsideration of a "*commission determination.*" The LAFCO Determination is clearly a "commission determination" under Rule 3.4, even if it is not a change of organization.

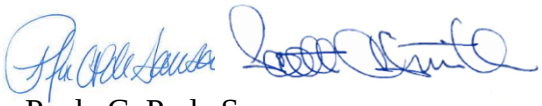
We agree with you that the San Diego Port District is not an "affected local agency" as defined in Government Code section 56014, as one that "contains, or would contain . . . any territory for which a change of organization is proposed or ordered …." This definition, however, is not a valid basis to deny the Request. To the contrary, reconsideration is supported by your position that the San Diego Port District does not meet that statutory definition: if no organizational change is proposed or ordered, what oversight duties does SD LAFCO have with respect to the San Diego Port District?

Third, by denying the Request, SD LAFCO is again failing to provide a meaningful opportunity for input from critical San Diego Port District stakeholders. Such input should have been considered before the LAFCO Determination, which reversed a position publicly stated by SD LAFCO for over 20 years. Your refusal to provide an opportunity for an open discussion on Request by placing it on the May 6, 2024 agenda is confounding.

For these reasons, the San Diego Port District respectfully submits that your denial of the timely reconsideration Request is improper under SD LAFCO's own rules and legally baseless. SD LAFCO's failure to schedule the Request for reconsideration at its May 6, 2024 meeting will serve as confirmation that SD LAFCO has waived any obligation on the San

Diego Port District's part to exhaust its administrative remedies as a precursor to any judicial challenge the San Diego Port District brings to the LAFCO Determination.

Sincerely,



Paula C. P. de Sousa
Scott C. Smith
of BEST BEST & KRIEGER LLP

cc: San Diego LAFCO Chair Stephen Whitburn [via email StephenWhitburn@sandiego.gov]
Priscilla Mumpower (San Diego LAFCO)
[via email Priscilla.Mumpower@sdcounty.ca.gov]
DeeAnne Gillick (Sloan Sakai) [via email dgillick@sloansakai.com]
Shiraz Tangri (San Diego Unified Port District) [via email stangri@portofsandiego.org]

8b

AGENDA REPORT
Business | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer

SUBJECT: **Proposed Policy on Out-of-Agency Services**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approving a policy to govern outside service approvals for cities and special districts. The item is part of LAFCO's adopted workplan and most recently reviewed by the Commission in October 2023 before separate presentations were made to the Cities and Special Districts Advisory Committees in December 2023 and March 2024, respectively. The version before the Commission reflects feedback generated since October and continues to be premised on providing clear rules of engagement in implementing Government Code Section 56133 and its provisions requiring cities and districts to first request and receive approval from LAFCOs before providing out-of-agency services by contracts. Staff recommends approval of the policy with any desired changes along with setting an immediate effective date.

BACKGROUND

Government Code Section 56133

State law was expanded in January 2001 to require cities and special districts to request and receive approval from LAFCOs before providing new or extended services outside their jurisdictions by contracts or agreements – "out-of-agency" services. The addition is codified in Government Code Section 56133 and includes a limited number of exemptions where

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, alt., General Public

LAFCOs' approval is not needed. This includes agreements between two or more public agencies where the contract service is an equal substitute for services already provided.

Annual Workplan & Direction to Prepare Policy on Out-of-Agency Services

San Diego LAFCO's current annual workplan was adopted at a noticed public hearing in May 2023 and includes 30 specific projects for the fiscal year with several having been carried over from the prior fiscal year. One of these carried-over projects involves establishing formal policies to govern out-of-agency service approvals at LAFCO and in doing so focus on formalizing and expanding on existing practices. An example of the former includes expanding on an existing provision under the personnel policies delegating authority to the Executive Officer to approve emergency out-of-agency service requests.

Earlier Draft Policy Versions on Out-of-Agency Services

LAFCO staff prepared an initial draft policy on out-of-agency services for discussion by the Commission in November 2022. The initial version was marked by staff proposing the establishment of local definitions for "new" and "extended" services as well as local exemptions in which certain out-of-agency services would not require formal review and approval. Staff also included an explicit policy in the initial version that the Commission determines exemption (statute and local) eligibility. This initial version was subsequently shared with the Special Districts Advisory Committee in December 2022 with significant concerns and/or objections raised by a majority of the 16 members. LAFCO staff continued to work with the Special Districts Advisory Committee through multiple revisions paired with providing an update to the Commission in October 2023. Commission feedback helped to narrow talking points and a new version – sixth overall since November 2022 – was unanimously supported by the Special Districts Advisory Committee in December 2023. This version was subsequently presented to the Cities Advisory Committee in March 2024 with no concerns or objections raised by the 18 members.

DISCUSSION

This item is for San Diego LAFCO to consider approving a proposed policy governing the process of receiving, evaluating, and acting on out-of-agency service requests. The proposed version builds on several earlier versions, and this includes incorporating feedback generated from the Commission at its October 2023 meeting. Key provisions reflected in the proposed policy before the Commission follow.

- Make explicit the Commission's policy preference to consider out-of-agency service requests on an exception basis when otherwise merited new or extended municipal services cannot be accommodated through jurisdictional changes.

- Premise the policy on the Commission's preference to consider out-of-agency service requests on an exception basis when otherwise merited services cannot be accommodated through jurisdictional changes.

- Establish local definitions for "new" and "extended" services and in doing so, frame the overall extent of the Commission's regulation of out-of-agency services as follows.

  - New services would involve the actual delivery of municipal functions or classes to previously unserved non-jurisdictional lands and/or the re-commencement of functions or classes after a discontinuous period of one or more years.

  - Extended services mean the intensification of municipal functions or classes to serve (actual) non-jurisdictional lands facilitated by a zoning change.

- Establish local exemptions in which Commission review and approval – which is separate from determining eligibility – is not required for the following activities:

  - Advisory or automatic aid services provided by a city and/or special district where no monetary compensation is provided other than reimbursements.

  - Temporary access to a city and/or special district's potable water or wastewater collection, treatment, and discharge facilities.

  - Shared services between two or more agencies where monetary compensation is provided beyond reimbursements for any of the following:

    - Abandoned Vehicle Abatement
    - Accounting, Billing, and Payroll
    - Animal Care and Control
    - Building and Code Enforcement
    - Customer Service
    - Dispatch
    - Grant Writing
    - Heavy Equipment Exchange and/or operation
    - Human Resources
    - Information Technology
    - Laboratory Services
    - Legal
    - Pooled Equipment Purchasing and Use
    - Pooled Materials Purchasing and Use
    - Pooled Services Purchasing and Use
    - Public Affairs/Outreach
    - Training
    - Water, Wastewater, Recycled Water, Stormwater, and Advanced Purification Plant Operations

- Make explicit LAFCO via the Executive Officer determines exemption eligibility with related no-cost request procedures.

- Amend the existing delegation to the Executive Officer to approve out-of-agency service requests tied to public health or safety threats to only water and wastewater functions. All other requests are redirected to the full Commission.

A complete copy of the proposed policy is provided in Attachment One.

ANALYSIS

The proposed policy before San Diego LAFCO serves to help remedy an ongoing omission with respect to providing clear and formal direction to all local agencies on how the Commission chooses to meet its delegated duty to regulate out-of-agency services. LAFCO staff believes the proposed policy appropriately balances the dual interest of the Commission to encourage local agencies to cost-share and pursue creative partnerships while also ensuring out-of-agency activities do not undermine jurisdictional boundaries or dampen local accountability. A related interest – notably and given recent history – addressed in proceeding with the proposed policy is to help sunlight proposed out-of-agency services and in doing so proactively help avoid potential conflicts between local agencies.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed policy on out-of-agency services. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):
Approve the proposed policy on out-of-agency services as provided in Attachment One with any desired changes and set an immediate effective date.

Alternative Two:
Continue consideration of the item to a future meeting and provide direction to staff for additional information as needed.

Alternative Three:
Take no action.

PROCEDURES

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

1) Receive verbal presentation from staff unless waived.
2) Commission discussion.
3) Consideration of the staff recommendation.

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) Proposed Policy on Out-of-Agency Services

Blank for Photocopying

Subject:
OUT-OF-AGENCY SERVICES
(Exclusive of Fire Protection Services)

Purpose:
Serve as a guide to the Commission in receiving, evaluating, and acting on requests by cities and special districts to provide new or extended services other than fire protection outside their jurisdictional boundaries.

Background:
State law requires cities and special districts to request and receive Commission approval before providing new or extended outside services by contracts or agreements with limited exemptions (Government Code Section 56133).[1]

Policy:
It is the policy of the Commission:

1. Goals and Priorities:

    a) The Commission will consider out-of-agency service requests whenever otherwise merited new or extended services cannot be reasonably accommodated through annexations or other jurisdictional changes.
    b) The Commission will review out-of-agency service agreements not previously considered by the Commission in conjunction with future applications for related changes to organization and not unilaterally seek out and review out-of-agency service agreements for compliance with Government Code Section 56133.

    b) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory within their spheres of influence in anticipation of future jurisdictional changes.

        i. The Commission will exercise independent discretion in potentially prescribing the timing of future jurisdictional changes through its authority to condition out-of-agency service approvals.

    c) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory outside their spheres of influence in

[1] Contracts involving fire protection services are separately addressed under Government Code Section 56134 and are not covered under this policy.

response to efficient utilization of regional government resources and existing or impending public health and safety threats.

i. The Commission will exercise its independent discretion in determining efficient utilization of government resources and when existing or impending public health and safety threats exist with consideration of State Water Resources Control Board Division of Drinking Water, Regional Water Quality Control Board, California Department of Public Health and San Diego County Department of Public Health regulatory guidance and based on available documentation and analysis provided by LAFCO staff.

2. Definitions:

a) "Agreement" and/or "contract" shall mean a formal written arrangement contemplated under Section 56133.

b) "Service" shall mean any authorized municipal service functions and/or classes provided by cities and special districts other than fire protection as well as those exempted by the Commission within Section 4 of this policy.

c) "New service" shall mean the actual provision of municipal service functions or classes to previously unserved non-jurisdictional lands.

i. New service shall also mean the re-commencement of actual services after a discontinuous period of 12 or more months.

d) "Extended service" shall mean the intensification of municipal service functions and/or classes to served (actual) non-jurisdictional lands that require a zoning change by the land use authority.

3. Applicability:

a) The Commission determines exemption eligibility of all statutory exemptions under 56133(e) as well as local exemptions provided under this policy.

b) The Commission shall emphasize the "point of delivery" in assessing the applicability of Section 56133.

c) Cities and special districts may request a no-cost determination from the Commission as to whether any proposed out-of-agency services are eligible for exemption under 56133 (e) and/or Section 4 of this policy.

i. The Commission delegates all inquiries for exemption eligibility under 56133(e) and/or Section 3 of this policy to the Executive Officer. The Executive Officer shall provide written notice of their determination to the city or special district to either accept, deny, or deny pending additional information all exemption inquiries within five business days.

ii. Should the Executive Officer determine an inquiry does not qualify for exemption, the city or special district may appeal directly to the full Commission. The appeal request must be made in writing and signed by the city manager or special district manager.

4. Exemptions

a) In addition to those provided by the Legislature under Section 56133(e), which includes agreements established prior to 2001, the Commission establishes the following local exemptions in which approvals are not required:

i. Advisory or automatic aid services provided by a city and/or special district where no monetary compensation other than reimbursements are exchanged.

ii. Agreements solely involving two or more public agencies where the public service to be provided (by Agency A) is an alternative to, or substitute for, public services already being provided by an existing public service provider (by Agency B) and where the level of service to be provided by (Agency A) is consistent with the level of service contemplated by the existing service provider (Agency B).

a. For the purposes of this section, "already being provided" means the services are within the agency's (Agency B) jurisdictional boundary and an established service area wherein services are being actively provided by the agency (Agency B).

b. For the purposes if this section, "contemplated" means:
    i. The service level is anticipated in a master plan or some long-range planning document of Agency B.
    ii. Sufficient infrastructure and capacity exists (by Agency A) to provide the service.

iii. Service agreements between cities and.or special districts for the use, installations, and maintenance of meter or operational technology (OT)

communications infrastructure similar to wireless ethernet, cellular towers, fiber optic, etc.

iv. Agreements involving Cathodic protection of pipelines.

v. Temporary access to cities and/or special districts' potable water supplies due to an interruption – planned or otherwise.

vi. Temporary access to cities and/or special districts' wastewater collection, treatment, or discharge facilities.

vii. Temporary access to cities and/or special districts' potable, raw, or recycled water when deemed the best and most efficient use of resources.

viii. Shared services between cities and/or special districts where monetary compensation is exchanged beyond reimbursements for any of the following activities:

- Abandoned Vehicle Abatement
- Accounting, Billing, and Payroll
- Animal Care and Control
- Building and Code Enforcement
- Customer Service
- Dispatch
- Grant Writing
- Heavy Equipment Exchange and/or operation
- Human Resources
- Information Technology
- Laboratory Services
- Legal
- Pooled Equipment Purchasing and Use
- Pooled Materials Purchasing and Use
- Pooled Services Purchasing and Use
- Public Affairs/Outreach
- Training
- Water, Wastewater, Recycled Water, Stormwater and Advanced Purification Plant Operations

5. Request Procedures:

a) All approval requests for out-of-agency services shall be made in writing by cities and special districts and filed with the Executive Officer. Requests

shall be made in letter form by the city or special district manager and include all of the following information:

i. Identification of the affected territory by parcel number or another appropriate geographic marker.
ii. Description of the ability of the agency to provide the contract service and relationship – including impacts – on existing and/or planned infrastructure and resources.

iii. Application fee.

iv. Any other information required by the Executive Officer.

6. Consideration Procedures:

a) The Commission shall consider all requests for out-of-agency service approvals at a public meeting unless otherwise provided in this policy.

b) The Executive Officer shall ensure all procedures under Section 56133 are completed and responsible for placing the request on the first available meeting agenda thereafter. The Executive Officer shall include his or her written recommendation on the request to the Commission.

c) Should requests involve purported public health or safety threats, the Commission delegates approval authority to the Executive Officer under the following circumstances.

i. The request involves water and/or wastewater services only. If approved, the Executive Officer shall provide notice to the Commission at the next public meeting for information only.

d) All other requests involving purported public health or safety threats shall be considered by the Commission at the earliest time possible – including the scheduling of a special meeting with no less than 24-hour notice.

7. Reconsideration:

a) Should an out-of-agency service request be approved with conditions or denied, the applicant may request reconsideration.

8. CEQA

a) All out-of-agency service request approvals shall be subject to concurrent review under the California Environmental Quality Act (CEQA).

b) The Commission assigns all functions and related responsibilities provided under CEQA Guidelines Section 15025 to the Executive Officer – including, but limited to, making exemption findings and related fillings.

8c

AGENDA REPORT
Business | Information

May 6, 2024

TO: Commissioners

FROM: Priscilla Mumpower, Assistant Executive Officer
Michaela Peters, Analyst I

SUBJECT: **Outreach and Education Plan Update |**
Sustainable Agricultural Lands Conservation Planning Grant 2.0

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an update on its ongoing SALC planning grant – i.e., "SALC 2.0" – in partnership with the County of San Diego's Planning and Development Services (PDS). This update has been prepared in response to a request made by public members and the Commission at the March meeting and specifically to outline past and current outreach strategies for SALC 2.0. The County of San Diego's Planning and Development Services (PDS) is leading the outreach and education plan component of current grant work in conjunction with Rick Engineering – as an outside outreach consultant. The update is for information and provides an opportunity for the Commission to ask questions or provide related feedback.

BACKGROUND

Sustainable Agricultural Lands Conservation Program

SALC was created in 2014 as a component of the California Strategic Growth Council and administered by the Department of Conservation. The SALC program is primarily funded through the California Climate Investments, a statewide program that provides cap-and-trade funds through agricultural conservation acquisition and planning grants for programs intended to reduce greenhouse gas emissions. The principal goals of SALC are stated as:

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

- Protect at-risk agricultural lands from sprawl development to promote growth within existing jurisdictions, ensure open space remains available, and support a healthy agricultural economy.

- Further the purpose of Assembly Bill 32 by avoiding increases in greenhouse gas emissions associated with the conversion of agricultural land to more greenhouse gas-intensive nonagricultural uses.

SALC 2.0 | San Diego LAFCO and County of San Diego PDS

In September 2022, San Diego LAFCO and PDS collaborated in submitting a planning grant application under SALC to perform a market analysis for existing and emerging crops – with a focus on small farms – while also identifying government opportunities to help bridge economic gaps. The Commission – notably – authorized the grant proposal as lead applicant. LAFCO was subsequently awarded a two-year grant in the full amount of $500,000 with work commencing in June 2023 and through September 2025.[1]

San Diego LAFCO has since formally partnered with two consultants – Agricultural Impact Associates and Rick Engineering – in collaboration with PDS on the SALC grant and relative to its six main tasks and deliverables: (1) grant management; (2) market analysis; (3) GAP analysis; (4) outreach & education plan; (5) strategic vision plan; and (6) a final report – "Greening Agriculture".

DISCUSSION

San Diego LAFCO will receive an update on the ongoing outreach and education strategy being led and implemented by PDS – in collaboration with Rick Engineering – for SALC 2.0. The item is being presented in response to members of the public expressing concern with respect to community engagement opportunities. These comments prompted the Commission to request staff to return with a more focused discussion on outreach opportunities and to ensure more direct involvement from producers moving forward. This item is for information and feedback only.

Outreach and Education Plan

Beginning in September 2023, San Diego County PDS has actively engaged producers, local farming organizations, and other stakeholders involved in the local agricultural community in helping to inform SALC 2.0 deliverables. The outreach strategy to date has included a combination of direct engagement activities with producers, leveraging several local partners such as the regional Resource Conservation Districts and University of California Cooperative Extension, coordination with the County's Department of Agriculture, Weights

[1] San Diego LAFCO and PDS signed a Memorandum of Understanding (MOU) in August 2023 following the Commission's approval of a draft MOU at its August 7, 2023 meeting. The MOU formalized roles and responsibilities in proceeding with SALC 2.0 and highlighted by bisecting and designating specific tasks to San Diego LAFCO and PDS.

and Measures (AWM) and Office of Sustainability and Environmental Justice, as well as broad notification through the project website and social media accounts.

PDS staff has also participated in various local events to promote project awareness, including seven local agricultural events, meetings with the San Diego County Farm Bureau Board of Directors, and the 3rd Annual Gathering for San Diego County Food Vision 2030. PDS also held a virtual public workshop – on November 14, 2023 – focused on gathering feedback from producers on key crops for the market analysis.[2] Following the workshop, PDS and AWM staff directly engaged the Avocado Growers of California (AGC) to discuss project details and collaboration opportunities.

As part of the ongoing work focused on preparing the market analysis, Agricultural Impact Associates have developed a market data collection tool aimed at gathering relevant data on farming operations relative to the four focal crops: avocados, lemons, strawberries, and tomatoes. PDS staff has provided notice of data collection efforts to the San Diego County Farm Bureau Board of Directors and is also coordinating with local partners, farming organizations, and attending local agriculture events to provide details on how producers can participate. The data collection phase is expected to culminate in a written report with findings and related recommendations.

A list of engagement efforts to date follows.

Date	Outreach Event
September 14, 2023	San Diego County Farm Bureau Board of Directors Meeting
October 5, 2023	San Diego County Farm Bureau Board of Directors Meeting
October 19, 2023	3rd Annual Gathering for San Diego County Food Vision 2030
October 26, 2023	San Diego County Farm Bureau Harvest Happy Hour
November 2, 2023	San Diego County Farm Bureau Farm & Nursery Expo
November 14, 2023	SALC 2.0 Public Workshop
December 14, 2023	Avocado Growers of California Meeting
April 2, 2024	Monthly Coordination Meeting w/San Diego County Farm Bureau
April 4, 2024	San Diego County Farm Bureau Board of Directors Meeting

Future Engagement Opportunities

Additional public workshops are planned throughout the project and following the release of written reports for the market and gap analyses, strategic plan, and final report. To directly engage producers and gather feedback, PDS and Rick Engineering will host working group meetings during the strategic planning phase – compensating participating producers and in doing so recognizing the value they provide to the project and its success. These meetings will involve local producers and technical experts to identify pathways for overcoming economic barriers in local farming. The strategic plan will also incorporate insights from best practice reviews and interviews with local agencies and jurisdictions

[2] The public workshop served as an opportunity for producers to provide direct feedback on focal crops and ongoing grant work. The workshop presentation and Zoom meeting recording is available on the project website.

implementing cost-saving techniques on farms. Ultimately, the final report will highlight key outcomes and offer recommendations for local agencies and jurisdictions to implement or expand programs and to promote economic sustainability in the local agricultural industry.

ANALYSIS

San Diego LAFCO in collaboration with PDS continues to make steady progress on SALC 2.0 and this includes pursuing meaningful stakeholder outreach and education as part of Task No. 4. PDS has attended and actively participated in a series of meetings and local events to ensure we are engaging key stakeholders throughout the process. Feedback from producers is recognized as an essential component of SALC 2.0. Rick Engineering is currently working diligently on an outreach and education plan centered on engaging stakeholders including producers. The plan is scheduled for internal staff review and discussion on May 2, 2024. Along with these activities, LAFCO staff has begun gathering data for each of the four crops directly from producers and will culminate in a comprehensive report with findings and recommendations in Fall 2024.

RECOMMENDATION

Information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for information as part of the business calendar. The following procedures are suggested.

1) Receive verbal presentation from staff unless waived.
2) Discuss item and provide feedback as appropriate.

Respectfully,

Michaela Peters

Michaela Peters
Analyst I

8d

AGENDA REPORT
Business | Information

May 6, 2024

TO: Commissioners

FROM: Priscilla Mumpower, Assistant Executive Officer
Adam Wilson, LAFCO Consultant

SUBJECT: **Presentation | Update on Municipal Service Review on Healthcare Districts**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a presentation on activities underway as part of the scheduled two-part municipal service review on healthcare districts. The presentation serves as an update on the municipal service review given its high-priority placement on the workplan paired with recent related media coverage concerning operational changes involving two of the four affected districts. The update is being provided for information with the opportunity for the Commission to provide real-time feedback in line with the staff's current expectation of producing a draft on the first part of the municipal service review in early 2025.

BACKGROUND

Adopted Workplan & Municipal Service Review on Healthcare Districts

San Diego LAFCO's current fiscal year workplan includes 30 projects and is divided into two distinct categories – statutory and administrative – along with priority assignments set by the Commission. The scheduled municipal service review on healthcare districts and the four affected agencies (Fallbrook, Palomar, Grossmont, and Tri-City) ranks second in priorities.

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

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, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

Municipal Service Review Organization | Macro and Micro Reports

The Executive Officer has divided the preparation of the municipal service review on healthcare districts into two distinct reports – macro and micro. The macro report is underway and will follow a standard municipal service review format in independently assessing baseline topics involving all four affected agencies and headlined by demographics, service functions – including capacities, demands and performance, and finances. The macro report – notably – will include written determinations as required under statute and in doing so satisfy the five-year requirement for all four agencies. The micro report will draw on the baseline information in focusing on current and emerging community healthcare needs and opportunities to better align district boundaries and resources accordingly.

DISCUSSION

This item is for San Diego LAFCO to receive a presentation from staff on activities underway as part of the scheduled two-part municipal service review on healthcare districts. Consultant Adam Wilson will lead the presentation and available to respond to questions.

ANALYSIS

None.

RECOMMENDATION

This item is for information and feedback.

ALTERNATIVES FOR ACTION

None.

PROCEDURES FOR CONSIDERATION

This item has been placed on the Commission's agenda for information as part of the business calendar. The following procedures are recommended:

1) Receive verbal presentation from staff unless waived.
2) Invite comments from interested audience members if any.
3) Discuss and provide feedback as needed.

On behalf of the Consultant Team,

Priscilla Mumpower
Assistant Executive Officer

Attachment:
1. Letter from Palomar HCD CEO, Diane Hansen

PALOMAR HEALTH

Passion. People. Purpose.™

03.20.2024

Local Agency Formation Commission
San Diego County
2550 Fifth Avenue, Ste 725
San Diego, CA 92103

Dear Keene Simonds,

Please accept this letter as a formal expression of Palomar Health's intent to continue to cooperate and actively participate in LAFCO's upcoming MSR process. The purpose of this letter is to also serve as an invite to meet with Palomar Health, at your convenience, to discuss the recent organizational changes that will protect and preserve our ability to serve as a critical safety net hospital for the over 1.1M San Diegans that call North County home. The reality is, status quo won't cut it for California hospitals in the most challenging healthcare environment ever known. Right now, more than half of California's hospitals are operating at a loss. There are a handful of hospitals that have either closed or began bankruptcy proceedings this year. Palomar, like all district hospitals, is fighting fiercely to protect the most vulnerable in our communities and we look forward to sharing our innovative plans with you. Although these operational changes do not fall under the governance of LAFCO, upon reflection, we recognize that any significant changes to our district should come with an advanced "heads-up" meeting with the Executive Director to avoid misinformation in the press and to help address questions likely to come up from LAFCO board members.

With appreciation,

Diane Hansen, CEO

Administration
Palomar Outpatient Center I, 2125 Citracado Parkway, Ste. 300, Escondido, CA 92029 | **T** 760.740.6385 | **PalomarHealth.org**