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

REGULAR MEETING AGENDA

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

MONDAY, FEBRUARY 1, 2021
VIDEOCONFERENCE ATTENDANCE ONLY

Chair Andy Vanderlaan
Vice Chair Jim Desmond

Executive Officer Keene Simonds
Commission Counsel Holly O. Whatley

Consistent with the Governor's Executive Order N-29-20, the February 1, 2021 meeting will occur remotely through videoconferencing. The public may watch the meeting live using the link on our website home page (www.sdlafco.org).

The public may submit comments remotely and/or register to speak by:

1. Submitting an eComment at www.sdlafco.org prior to 4:00 P.M. on Friday, January 29, 2021
   - These comments will be distributed and posted online ahead of the meeting
   - This includes the option to request a call-in to directly comment during the meeting
2. Emailing erica.blom@sdcounty.ca.gov during the meeting on Monday, February 1, 2021
   - These comments will be read by staff into the record and subject to a three-minute limit

1. 9:00 A.M. – CALL TO ORDER

a) Introduction of New Commissioners
- Chris Cate, City of San Diego Representative
- Nora Vargas, County of San Diego Representative
- Joel Anderson, County of San Diego Representative (alternate)
- Marni von Wilpert, City of San Diego Representative (alternate)

b) Roll Call

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW
The Chair will confirm with the Executive Officer if any changes to the agenda are needed.

4. PUBLIC COMMENT AND RELATED REQUESTS

Opportunity for members of the public to address the Commission on any subject matter within the Commission's jurisdiction but not an item listed on the agenda. Each speaker's presentation may not exceed three minutes. This is also an opportunity for members of the public to request discussion on any items listed under the consent calendar.

5. CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair will also consider Commissioner requests to pull an item for discussion before entertaining a motion.

a) Approval of Meeting Minutes for December 7, 2020 (action)

The Commission will consider approving action minutes prepared by the Commission Clerk for the December 7, 2020 regular meeting. Recommendation to approve.

b) Commission Ratification | Recorded Payments for November and December 2020 (action)

The Commission will review a report identifying all payments received and made for the months of November and December 2020. These payments cover all recorded transactions and include $277,834 in total distributions made by the Executive Officer. The payments are being presented to the Commission for formal ratification.

c) Budget Update for 2020-2021 | 2nd Quarter Actuals with Year-End Projections (action)

The Commission will review a report comparing budgeted and actual transactions for 2020-2021 through the second quarter and related projections. The report identifies the Commission has expended 48% of its budgeted resources through the halfway point and projected to finish with an operating surplus of $0.046 million or 2.4%. The report is being presented to the Commission to accept and file as well as provide direction to staff as needed.

d) Protest Hearing Results | "Valley Center Community Services District Reorganization" (RO20-13) (action)

The Commission will receive the results of the protest hearing held by staff on December 3, 2020 for the "Valley Center Community Services District Reorganization." The proposal was conditionally approved in November 2020 and involves the dissolution of the Valley Center Community Services District and termination of its park and recreation function and concurrent formation of County Service Area No.138 as the designated successor agency. No protest was received at the hearing and the results are being presented for formal filing under statute.

e) Progress Report on Adopted Annual Workplan and Proposed Amendment (action)

The Commission will receive a progress report on accomplishing the 26 specific projects in the adopted workplan for 2020-2021 for formal filing. The Commission will also consider a proposed amendment to expand the workplan to initiate implementation of a recent grant award by the State Department of Conservation to track agricultural trends in San Diego County. The report also provides the Commission the opportunity to identify other amendments for future action.

f) Ratification of an Administrative Approval | "Estrada-Viejas View Place Outside-of-Agency Wastewater Service Agreement" - San Diego County Sanitation District (OAS20-20) (action)

The Commission will consider ratification of an administrative approval by the Executive Officer involving an outside-of-agency wastewater service agreement involving the San Diego County Sanitation District. The agreement authorizes San Diego County SD to provide wastewater service to an unincorporated single-family residential parcel in Alpine and was approved by the Executive Officer as allowed under statute and policy given a documented public health threat. It is recommended the Commission formally ratify the approval pursuant to adopted policy. The subject parcel is identified as 404-200-24.

CONSENT ITEMS CONTINUED…

g) Current Proposals and Related Activities (information)
The Commission will receive a report identifying active proposals on file as well as a summary of pending proposal submittals. The item is for information and concurrently serves as notice to local agencies of all landowner/voter petition proposals filed with the Commission.

h) Roster Update for the Special Districts Advisory Committee (information)
The Commission will receive an update on the composition of its Special Districts Advisory Committee and the results of a recent nomination-election process affecting eight of the sixteen Committee seats. The update is being presented to the Commission for information only.

6. PUBLIC HEARING ITEMS
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.

a) Final Report and Related Actions |
Municipal Service Review on Resource Conservation Districts (action)
The Commission will receive a final report involving the scheduled municipal service review on resource conservation districts (RCDs). The report returns with limited revisions from its draft presentation in December and represents an independent assessment of level and range of services provided by all three RCDs – Mission, Greater San Diego County, and Upper San Luis Rey – in San Diego County. All recommendations in the draft remain along with a new recommendation for LAFCO to prepare an addendum to further evaluate the Upper San Luis Rey RCD's eligibility to provide groundwater management. Staff recommends the Commission formally accept the final report as well as adopt a resolution making related determinations.

b) Proposed Sphere of Influence Updates |
Resource Conservation Districts in San Diego County (action)
The Commission will consider a recommendation by the Executive Officer to approve sphere of influence updates with no changes for all three resource conservation districts (RCDs) in San Diego County – Mission, Greater San Diego County, and Upper San Luis Rey. The recommendation is consistent with the separately prepared municipal service review covering all three agencies and – among other benefits – maintains baseline conditions as LAFCO proceeds with addressing various boundary-service inconsistencies identified in the municipal service review.

c) Proposed "Mercurio Service Agreement" and Sphere of Influence Amendment |
Out-of-Agency Wastewater Service Agreement with the City of La Mesa (OAS-SA20-09)
The Commission will consider authorizing the City of La Mesa to enter into a contract with requesting landowners to provide outside wastewater service to 0.91 acres of unincorporated territory in Valle de Oro. The purpose of the proposal is to facilitate the development of an accessory dwelling unit that would otherwise be prohibited. A concurrent amendment to add the affected territory to the City's sphere of influence is also required in lieu of making a public health or safety finding. Staff recommends approval of the request with a concurrent sphere amendment and standard terms. The subject parcel is identified as 491-812-16.

7. BUSINESS CALENDAR

Business items involve regulatory, planning, or administrative items that do not require a hearing.

a) Draft Municipal Service Review on the Poway Region (discussion)

The Commission will review a draft municipal service review on the Poway region prepared as part of the adopted annual workplan. The draft represents an independent assessment of the level and range of key public services provided in the region and specifically by the principal local government subject to Commission oversight – City of Poway. The draft is being presented for discussion and feedback ahead of initiating a formal public review and comment period with the expectation of returning to the Commission with a final document in April 2021.

b) Informational Report on the Sustainable Groundwater Management Act | Local Implementation and Relationship with LAFCO's Duties and Powers (discussion)

The Commission will receive an informational report on the Sustainable Groundwater Management Act (SGMA) and its central requirements for local governments to take various and ongoing actions to improve the health of at-risk groundwater basins. The report has been prepared as part of the adopted workplan and provides background information on SGMA and the current and planned activities of the three Groundwater Sustainability Agencies (GSAs) in San Diego County. The report also addresses SGMA's intersection with LAFCO's regulatory and planning duties and is being presented for discussion and well as direction on future related activities.

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

10. CLOSED SESSION

a) Conference with Legal Counsel – Existing Litigation:

Pursuant to Government Code Section 54956.9(d)(1)): Julian-Cuyamaca Fire Protection District, et al. v. San Diego LAFCO et al., Fourth District Court of Appeal Case No. D077048

b) Conference with Legal Counsel – Existing Litigation:

Pursuant to Government Code Section 54956.9(d)(1)): Julian Fire Company Association, et al. v. Julian-Cuyamaca Fire Protection District, et al., Fourth District Court of Appeal Case No. D076639

c) Conference with Legal Counsel--Initiation of Litigation:

Pursuant to Government Code Section 54956.9(d)(4)): (One potential case.)

d) Conference with Legal Counsel--Anticipated Litigation:

Pursuant to Government Code Section 54956.9(d)(2)): Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9. (One case.)

11. ADJOURNMENT TO NEXT MEETING

March 1, 2021

All associated agenda reports are available for viewing at www.sdlafco.org.

Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) business days prior to the meeting for any requested accommodations.

5a

AGENDA REPORT
Consent | Action

February 1, 2021

TO: Commissioners

FROM: Tamaron Luckett, Commission Clerk

SUBJECT: **Approval of Meeting Minutes for December 7, 2020**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on Monday, December 7, 2020. The minutes are in action-form and being presented for formal approval with any desired corrections or clarifications as requested by the Commission.

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 December 7, 2020 regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present except Bill Wells (City of El Cajon).
- All alternate Commissioners were present except Chris Cate (City of San Diego) and Greg Cox (County of San Diego).

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Chair Andy Vanderlaan, General Public
Nora Vargas, County of San Diego
Bill Wells, City of El Cajon
Marni von Wilpert, Alt, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Imperial Beach
Erin Lump, Alternate, Rincon del Diablo MWD

ANALYSIS

The attached draft minutes for the December 7, 2020 regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by staff. 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 December 7, 2020 regular meeting 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):
Approve the draft minutes prepared for the December 7, 2020 regular meeting with any desired corrections or clarifications.

Alternative Two:
Continue 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,

Tamaron Luckett
Commission Clerk

Attachment:

1) Draft Meeting Minutes for December 7, 2020

DRAFT MINUTES
SAN DIEGO LAFCO
December 7, 2020 REGULAR MEETING

Via Videoconference Only
Per Governor's Executive Order N-29-20

1. CALL TO ORDER | ROLL CALL

The regular meeting was called to order by videoconference at 9:00 a.m. by Chair Jacob. The Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present:	Jim Desmond, County of San Diego Dianne Jacob, County of San Diego (CHAIR) Mark Kersey, City of San Diego Jo MacKenzie, Vista Irrigation District Mary Casillas Salas, City of Chula Vista Andy Vanderlaan, Public (VICE CHAIR) Barry Willis, Alpine Fire Protection District
Alternates Present:	Erin Lump, Rincon del Diablo Municipal Water District Harry Mathis, Public Paul McNamara, City of Escondido (Voting)
Members Absent:	Bill Wells, City of El Cajon (regular) Chris Cate, City of San Diego (alternate) Greg Cox, County of San Diego (alternate)

The Commission Clerk confirmed a virtual quorum was present with eight voting members – including Alternate Paul McNamara in the place of the absent Bill Wells.

2. PLEDGE OF ALLEGIANCE

Commissioner Desmond led meeting attendees in the Pledge of Allegiance.

3. AGENDA REVIEW AND RELATED REQUESTS

Executive Officer Keene Simonds stated no changes were needed to the agenda as presented. The Executive Officer also noted the meeting was being live streamed and instructions for the public to participate in real-time were provided on the agenda.

4. PUBLIC COMMENT

Chair Jacob invited anyone from the public to address the Commission on a matter not related to an agenda item. Commission Clerk Tamaron Luckett confirmed no members of the public had registered to address the Commission. Administrative Assistant Erica Blom also confirmed there were no live e-mail comments received for public comment.

5. CONSENT ITEMS

Item 5a
Approval of Meeting Minutes for November 2, 2020
Item presented to approve draft action minutes prepared for the Commission's November 2, 2020 regular meeting. Recommendation to approve.

Item 5b
Commission Ratification | Recorded Payment for October 2020
Item presented to ratify recorded payments made and received by the Executive Officer for the month of October 2020. Recommendation to ratify.

Item 5c
Proposed "Sunrise–Barham Drive Reorganization" |
Concurrent Annexations to the City of San Marcos and the Vallectios Water District (RO20-15)
Item presented to consider a reorganization to annex 10.8 unincorporated acres of territory to the City of San Marcos with a concurrent annexation to Vallecitos Water District for wastewater services. The proposal purpose is to facilitate the planned development of the affected territory along with an adjacent parcel into a 192-unit multi-family residential subdivision. Recommendation to conditionally approve without modifications along with waiving protest proceedings.

Item 5d
Progress Report on 2020-2021 Workplan
Item presented to receive a progress report on accomplishing specific projects as part of the adopted 2020-2021 workplan. Recommendation to accept and file.

Item 5e
Authorize Holiday Office Closures
Item presented to consider an Executive Officer recommendation to authorize office closures on Thursday, December 24th and Thursday, December 31st. Recommendation to approve.

CONSENT ITEMS CONTINUED…

Item 5f
Approval of Meeting Calendar and Direction on Virtual Attendance
Item presented to consider approving a meeting schedule for the 2021 calendar year to include each month except for July and September. Staff recommends direction for the Commission to confirm and continue to hold virtual meetings by videoconference for the upcoming calendar year. Recommendation to approve.

Item 5g
Current Proposals and Related Activities
Item presented to update current proposals on file with LAFCO along with identifying anticipated submittals. Item for information only.

Item 5h
Noticing Expiring Commissioner Terms
Item presented to receive a report identifying membership terms set to expire and/or become vacated in 2021. The item is presented for information only.

**

Chair Jacob asked if the Commissioners would like to pull any consent item. There were no requests from Commissioners. Commissioner Desmond motioned with a second from Commissioner Salas to approve the consent calendar consistent with the staff recommendations. Roll call requested:

AYES:	Desmond, Jacob, Kersey, MacKenzie, McNamara (voting), Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

6. PUBLIC HEARING ITEMS

Item 6a
Proposed "Ortiz–Olive Avenue Reorganization" |
Annexation to the City of Vista with Concurrent Detachment from the Vista Fire Protection District and Conforming Sphere of Influence Amendment (RO20-12 et al.)
Item presented to consider a reorganization proposal to annex 5.0 acres of unincorporated territory to the City of Vista with a concurrent detachment from the Vista Fire Protection District (FPD). The proposal purpose is to facilitate the planned development of a 15-lot residential subdivision. Staff recommends conditional approval of the reorganization as

PUBLIC HEARING ITEMS CONTINUED...

Item 6a Continued...

submitted as well as a conforming sphere amendment involving Vista FPD and waiver of protest proceedings.

The Executive Officer opened the staff presentation with Local Government Analyst II Linda Heckenkamp provided details to the Commission.

Chair Jacob invited Commissioner comments or questions. Commissioner Willis wanted to confirm Vista FPD was aware of the proposal. Analyst Heckenkamp noted all affected agencies – including Visa FPD – have been sent communication on the proposal, but no comments were received.

Chair Jacob proceeded to open the public hearing and invited e-comments and live comments from the audience.

The Commission Clerk noted there was one registered speaker available for questions only:

- Rod Bradley, applicant

The Administrative Assistant confirmed there were no live e-mail comments from the public.

Chair Jacob proceeded to close the public hearing.

**

Commissioner Willis motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Vanderlaan. Roll call requested:

AYES:	Desmond, Jacob, MacKenzie, McNamara (voting), Kersey, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

7. BUSINESS ITEMS

Item 7a
Draft Municipal Service Review |
Resource Conservation Districts in San Diego County
Item presented to review a draft municipal service review (MSR) on resource conservation districts (RCDs). The draft has been prepared as part of the adopted workplan and covers all three RCDs operating in San Diego County – Mission, Greater San Diego, and Upper San Luis Rey. The draft includes recommendations paired with determinative statements addressing all of the factors required in statute as part of the municipal service review process and headlined by population estimates, infrastructure needs, financial standing, and governance. Recommend discussion and feedback ahead of initiating a formal review period and returning in February with final actions.

The Executive Officer opened the staff presentation with Local Government Analyst II Heckenkamp providing details to the Commission and addressing key recommendations.

Chair Jacob invited Commissioner comments or questions. Commissioner Willis noted that RCDs are critical in helping the farming community.

The Commission Clerk noted there was twelve total registered speakers for the item with eight speakers wanting to address the Commission. The Chair proceeded to invite comments from the following virtual attendees:

- Sheryl Landrum, Resource Conservation District of Greater San Diego County
- Gary Arant, Valley Center Municipal Water District
- Tom Kennedy, Rainbow Municipal Water District
- Jack Bebee, Fallbrook Utility District
- Andy Lyall, Upper San Luis Rey Resource Conservation District, Support
- Don Butz, Board President Resource Conservation District, Support
- Robert Pelcyger, San Luis Rey Indian Water Authority
- Scott Murray, Mission Resource Conservation District

The Administrative Assistant confirmed there were no live e-mail comments from the public.

Commission discussion followed with specific direction for staff to follow up the standing of the Upper San Luis Rey RCD in the local GSA given statements made by the San Luis Rey Indian Water Authority. Chair Jacob suggested staff make a good-faith effort to bring back the final document in February.

BUSINESS ITEMS CONTINUED...

Item 7b
Protest Hearing Results |
"San Diego County Fire Protection District Reorganization" (RO20-14)
Item presented to receive the results of the protest hearing held for the "San Diego County Fire Protection District Reorganization". This proposal was conditionally approved by the Commission on October 5, 2020 and involves the concurrent divestiture of fire protection and emergency medical service powers for County Service Area No. 135 and formation of the San Diego County Fire Protection District as the designated successor agency. The noticed protest hearing was held by staff on November 9th without generating written opposition from affected landowners or voters. It is recommended the Commission receive the protest results and set the effective date of the reorganization for December 7, 2020.

The Executive Officer opened the staff presentation on behalf of Chief Policy Analyst Robert Barry and noted the recommendation to set the effective date on the reorganization appropriately paralleled Chair Jacob's last Commission meeting.

The Commission Clerk noted there was two registered speakers for the item and proceeded to invite the following persons to address the Commission:

- Chief Tony Mecham with County of San Diego Fire Authority, Support
- Herman Reddick, San Diego County Fire Authority, Support

**

Commission discussion followed with the membership acknowledging all of the work expended by Chair Jacob in advancing fire protection levels in the unincorporated areas and highlighted by the formation of the San Diego County FPD.

Commissioner Jacob motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Willis. Roll call requested:

AYES:	Desmond, Jacob, MacKenzie, McNamara (voting), Kersey, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

BUSINESS ITEMS CONTINUED...

Item 7c
Public Member Appointment Options
Item presented to consider options and related preferences in making a new four-year appointment of a public member ahead of the current term expiring in May 2021. Available options include proceeding with the direct reappointment of the incumbent – Vanderlaan – or soliciting applicants and making an appointment/reappointment at a future meeting.

**

Commissioner MacKenzie motioned to reappoint Commissioner Vanderlaan with a second from Commissioner Willis. Roll call requested:

AYES:	Desmond, Jacob, MacKenzie, McNamara (voting), Kersey, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

Item 7d
Chair and Vice Chair Appointments
Item presented to consider making officer appointments and select a Chair and Vice Chair for 2021 as required under adopted policy.

**

Commissioner Jacob motioned to appoint current Vice Chair Andy Vanderlaan to Chair and Commissioner Desmond to Vice Chair for 2021, with a second from Commissioner MacKenzie. Roll call requested:

AYES:	Desmond, Jacob, MacKenzie, McNamara (voting), Kersey, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

BUSINESS ITEMS CONTINUED...

Item 7e
Legislative Report and Related Direction
Item presented to receive a report on legislative items of interest to the Commission and its regulatory and planning responsibilities. This includes reviewing items associated with the end of the second year of the 2019-2020 session as well as previewing topics heading into the first year of the 2021-2022 session. The latter category includes an associated recommendation by the Executive Officer to take a lead role and begin work to sponsor a bill proposal to clarify LAFCOs' exclusive authority to determine exception status in statute for out-of-agency service contracts.

The Executive Officer presented the item and detailed his recommendation for the Commission to sponsor a proposal to clarify LAFCOs' sole authority to determine exception eligibility in Government Code 56133 and instances when local agencies do not require approval to provide new or extended services outside their jurisdictional boundaries.

Commission discussion followed. Chair Jacob stated this was an important issue to address and ultimately serves as a cost-savings measure in avoiding staff and legal costs.

**

Commissioner Willis motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Vanderlaan. Roll call requested:

AYES:	Desmond, Jacob, MacKenzie, McNamara (voting), Kersey, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Cate, Cox, and Wells
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

8. COMMENDATIONS

Individual Commissioners thanked all three departing members – Chair Jacob, Commissioner Kersey, and Commissioner Cox – for their valued service to LAFCO. The Executive Officer also thanked all three Commissioners for their thoughtful service and highlighted Chair Jacob's important and lasting influence on LAFCO decision-making.

9. EXECUTIVE OFFICER REPORT

The Executive Officer made the following comments:

- Ad Hoc Fallbrook-Rainbow-Water Authority Meeting at 1pm
- LAFCO Audit hoping to be on the February 2021 meeting

10. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

- Commissioner MacKenzie provided an update to the Commission on CALAFCO
- Commissioner Willis discussed COVID-19 and impacts on San Diego County

11. CLOSED SESSION

None

12. ADJOURNMENT TO NEXT MEETING

With no further business the Chair adjourned the videoconference meeting at 11:05 a.m.

**

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its December 7, 2020 videoconference meeting.

ATTEST,

//
Tamaron Luckett
Commission Clerk

**

A video recording of the December 7, 2020 regular meeting is also available online at www.sdlafco.org or by contacting LAFCO staff at 858-614-7755.

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5b

AGENDA REPORT
Consent | Action

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Blom, Administrative Assistant

SUBJECT: **Commission Ratification | Recorded Payments for November and December 2020**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report identifying all payments received and made for the months of November and December 2020. These payments cover all recorded transactions and include $277,834 in total distributions made by the Executive Officer with nearly nine-tenths tied to reimbursements to the County of San Diego for payroll, rent, overhead, and information technology services. Payments received during the two-month period total $26,314 with the majority involving two boundary change proposals. The payments are being presented for formal ratification.

BACKGROUND

Accounting Policies and Procedures

San Diego LAFCO's policies provide direction to the Executive Officer to establish and maintain appropriate accounting controls for all financial transactions on behalf of the Commission. These policies specify the Executive Officer shall ensure accounting controls conform to standard procedures commonly enlisted by local governmental. Purchasing allowances are specified and include bid procedures for transactions at or above $10,000 and separate Commission approval for transactions at or above $125,000.

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Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Imperial Beach
Erin Lump, Alternate, Rincon del Diablo MWD

DISCUSSION

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer in November and December 2020. A detailing of these transactions prepared by the Administrative Assistant is provided in Attachments One (November) and Two (December). The item also provides the Commission the opportunity to provide feedback to the Executive Officer on related matters and inform potential changes in accounting procedures going forward.

ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer for November and December 2020 totaled $277,834 with 88% – or $245,503 – tied to expenditures with the County of San Diego. This includes covering payroll obligations, office rent, overhead, and information technology services. Professional service expenses represent most of the remaining expenditures during the two-month period and tallied $20,602 and include legal and consultant activities. Recorded revenues during the period totaled $26,314 with most of the monies drawn from two new boundary change proposals. All transactions recorded during the period are consistent with the adopted budget.

RECOMMENDATION

It is recommended San Diego LAFCO ratify the payments received and made by the Executive Officer for November and December 2020 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 November and December 2020 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:



Erica Blom
Administrative Assistant

Attachments:

1) Recorded Payments in November 2020
2) Recorded Payments in December 2020

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SAN DIEGO LAFCO
Expenses by Vendor Detail
November 2020

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | After Effects						
	11/12/2020	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Amazon						
	11/2/2020	52330 · Office Expense	32.31	Office Supplies (LH)	credit card	3558-60 · SDCCU Visa Credit Card
	11/5/2020	52330 · Office Expense	269.36	Office Supplies (KS)	debit card	3558 · SDCCU Checking
	11/10/2020	52330 · Office Expense	21.54	Office Supplies (PA)	credit card	3558-60 · SDCCU Visa Credit Card
	11/17/2020	52330 · Office Expense	20.46	Office Supplies (KS)	debit card	3558 · SDCCU Checking
			343.67			
E | Ambius						
	11/16/2020	52370.J · Professional Services	103.94	Monthly Plant Services	check	3558 · SDCCU Checking
E | APA						
	11/5/2020	52270 · Memberships	628.00	FY20-21 Membership Renewal (KS)	check	3558 · SDCCU Checking
E | AT&T Mobility						
	11/5/2020	52074 · Telecommunications	375.87	Monthly Cell Phone Bill | EO & Analysts	check	3558 · SDCCU Checking
E | Billing Hostway						
	11/10/2020	52370.E · Professional Services	21.95	Monthly Website Hosting Services	debit card	3558 · SDCCU Checking
E | Chase Design Inc						
	11/23/2020	52370.K · Professional Services	3,000.00	Consultant Services | Social Media	electronic	1000 · County Account (44595)
E | Corodata						
	11/16/2020	52330 · Office Expense	102.82	Document Storage (Two Months)	check	3558 · SDCCU Checking
E | County of San Diego						
	11/1/2020	52530 · Office Lease	6,993.64	Rent	electronic	1000 · County Account (44595)
	11/1/2020	52354 · Mail/Postage ISF	721.82	Mail/Postage Services	electronic	1000 · County Account (44595)
	11/1/2020	52178 · Vehicle Maintenance	28.82	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	11/1/2020	52182 · Vehicle Fuel	29.13	Vehicle Fuel	electronic	1000 · County Account (44595)
	11/1/2020	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	11/1/2020	52721 et al. · Communications (IT) Services	10,047.82	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	11/4/2020	52504 · Equipment Rental	5.94	County Surcharge | Xerox	electronic	1000 · County Account (44595)
	11/9/2020	52344 · Stores Unallocated	243.74	Office Supplies | Office Depot Order	electronic	1000 · County Account (44595)
	11/10/2020	52344 · Stores Unallocated	3.68	County Surcharge | Office Depot	electronic	1000 · County Account (44595)
	11/13/2020	51110 et al. · Employee Payroll	51,788.90	Payroll | Pay Period 2021-10	electronic	1000 · County Account (44595)
	11/25/2020	51110 et al. · Employee Payroll	48,074.86	Payroll | Pay Period 2021-11	electronic	1000 · County Account (44595)
	11/30/2020	52550.B · County Overhead Costs	8,815.50	County Services | A-87 Overhead (2nd Quarter)	electronic	1000 · County Account (44595)
			126,665.98			
E | CSDA						
	11/5/2020	52270 · Memberships	1,482.00	FY20-21 State Membership Renewal	check	3558 · SDCCU Checking
2778						
	11/2/2020	52330 · Office Expense	81.25	Monthly Water Payment	check	3558 · SDCCU Checking
	11/5/2020	52330 · Office Expense	6.00	Monthly Water Payment	check	3558 · SDCCU Checking
			87.25			
E | Erica Blom						
	11/2/2020	52074 · Telecommunications	55.00	COVID-19 Telework Internet Reimbursement (Two Months)	check	3558 · SDCCU Checking
E | Gourmet Island						
	11/15/2020	52610 · Non-Travel/In-County	15.34	Lunch Training (KS and PA)	debit card	3558 · SDCCU Checking
E | Leaf & Cole LLP						
	11/23/2020	52370.H · Professional Services	1,050.00	Consultant Services | Accounting	electronic	1000 · County Account (44595)
E | Linda Heckenkamp						
	11/2/2020	52074 · Telecommunications	34.99	COVID-19 Telework Internet Reimbursement (Two Months)	check	3558 · SDCCU Checking
E | Planwest Partners Inc						
	11/2/2020	52370.F · Professional Services	3,289.50	Consultant Services | MSRs	check	3558 · SDCCU Checking
E | San Diego Union Tribune						
	11/16/2020	52490 · Publications	3,695.32	PHN | SDCFPD Reorg (RO20-14)	check	3558 · SDCCU Checking
E | Sprague & Associates						
	11/23/2020	52370.F · Professional Services	5,670.00	Consultant Services | MSR & Fire	electronic	1000 · County Account (44595)
E | Tamaron Luckett						
	11/19/2020	52074 · Telecommunications	245.00	COVID-19 Telework Internet Reimbursement (Five Months)	check	3558 · SDCCU Checking

SAN DIEGO LAFCO
Expenses by Vendor Detail
November 2020

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Twitter						
	11/3/2020	52370.K · Professional Services	80.00	Consultant Services | Social Media	debit card	3558 · SDCCU Checking
E | Vistaprint						
	11/4/2020	52334 · Printing	231.51	Mugs and Totes	debit card	3558 · SDCCU Checking
E | Xerox						
	11/4/2020	52504 · Equipment Rental	420.02	Xerox Rental	electronic	1000 · County Account (44595)
	11/6/2020	52504 · Equipment Rental	254.60	Xerox Rental	electronic	1000 · County Account (44595)
			674.62			
E | Zoom						
	11/4/2020	52270 · Memberships	14.99	LAFCO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	11/12/2020	52270 · Memberships	14.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			29.98			
EXPENSE TOTAL			147,658.73			
R | County of San Diego						
	11/1/2020	45918 · LAFCO Apportionment	348.31	LAFCO Apportionment for FY20-21	electronic	1000 · County Account (44595)
	11/30/2020	49200 · Interest & Dividends	292.56	Interest Payment to Account 46725	electronic	1001 · General Fund (46725)
	11/30/2020	49200 · Interest & Dividends	343.10	Interest Payment to Account 46726	electronic	1002 · Special Projects Fund (46726)
	11/30/2020	49200 · Interest & Dividends	143.85	Interest Payment to Account 46727	electronic	1003 · Jurisdictional Fund (46727)
			1,127.82			
REVENUE TOTAL			1,127.82			

SAN DIEGO LAFCO
Expenses by Vendor Detail
December 2020

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | After Effects						
	12/11/2020	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Amazon						
	12/28/2020	52344 · Stores Unallocated	975.44	Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
E | Ambius						
	12/10/2020	52370.J · Professional Services	103.94	Monthly Plant Services	check	3558 · SDCCU Checking
E | ARCC (Assessor Recoreder County)						
	12/10/2020	52490 · Publications	50.00	NOD Fee | Sunrise-Barham Reorg (RO20-15)	check	3558 · SDCCU Checking
E | AT&T Mobility						
	12/10/2020	52074 · Telecommunications	375.87	Monthly Cell Phone Bill | EO & Analysts	check	3558 · SDCCU Checking
E | Billing Hostway						
	12/3/2020	52370.E · Professional Services	21.95	Monthly Website Hosting Services	debit card	3558 · SDCCU Checking
E | Chase Design Inc						
	12/18/2020	52370.K · Professional Services	3,000.00	Consultant Services | Social Media	electronic	1000 · County Account (44595)
E | Colantuono, Highsmith & Whatley						
	12/18/2020	52370.K · Professional Services	3,755.50	Legal Services	electronic	1000 · County Account (44595)
E | Corodata						
	12/10/2020	52330 · Office Expense	102.82	Document Storage (Two Months)	check	3558 · SDCCU Checking
E | County of San Diego						
	12/1/2020	52530 · Office Lease	6,993.64	Rent	electronic	1000 · County Account (44595)
	12/1/2020	52354 · Mail/Postage ISF	475.23	Mail/Postage Services	electronic	1000 · County Account (44595)
	12/1/2020	52178 · Vehicle Maintenance	27.67	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	12/1/2020	52182 · Vehicle Fuel	0.00	Vehicle Fuel	electronic	1000 · County Account (44595)
	12/1/2020	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	12/1/2020	52721 et al. · Communications (IT) Services	11,299.24	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	12/17/2020	52504 · Equipment Rental	5.92	County Surcharge | Xerox	electronic	1000 · County Account (44595)
	12/11/2020	51110 et al. · Employee Payroll	48,993.65	Payroll | Pay Period 2021-12	electronic	1000 · County Account (44595)
	12/24/2020	51110 et al. · Employee Payroll	50,876.29	Payroll | Pay Period 2021-13	electronic	1000 · County Account (44595)
			118,837.13			
E | Culigan of San Diego						
	12/3/2020	52330 · Office Expense	6.00	Monthly Water Payment	check	3558 · SDCCU Checking
E | Grubhub						
	12/15/2020	52610 · Non-Travel/In-County	179.44	Quarterly Staff Meeting	credit card	3558-60 · SDCCU Visa Credit Card
E | Network Solutions						
	12/23/2020	52370.E · Professional Services	184.95	Domain Name Renwal for 5 years	debit card	3558 · SDCCU Checking
E | Price Self Storage						
	12/2/2020	52504 · Equipment Rental	75.00	Storage Unit Monthly Payment	debit card	3558 · SDCCU Checking
	12/23/2020	52504 · Equipment Rental	75.00	Storage Unit Monthly Payment	debit card	3558 · SDCCU Checking
			150.00			
E | San Diego Union Tribune						
	12/10/2020	52490 · Publications	1,287.00	PHNs | Olive-Ortiz Ave (RO20-12) & CSA No. 138 VCCSD (RO20-13)	check	3558 · SDCCU Checking
E | See's Candies						
	12/2/2020	52330 · Office Expense	91.35	Gifts for Outgoing Commissioners (DJ, MK, & GC)	credit card	3558-60 · SDCCU Visa Credit Card
E | Twitter						
	12/20/2020	52370.K · Professional Services	30.00	Consultant Services | Social Media	debit card	3558 · SDCCU Checking
	12/24/2020	52370.K · Professional Services	150.00	Consultant Services | Social Media	debit card	3558 · SDCCU Checking
	12/29/2020	52370.K · Professional Services	150.00	Consultant Services | Social Media	debit card	3558 · SDCCU Checking
			330.00			
E | Xerox						
	12/18/2020	52504 · Equipment Rental	673.16	Xerox Rental	electronic	1000 · County Account (44595)
E | Zoom						
	12/13/2020	52270 · Memberships	14.99	LAFCO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	12/18/2020	52270 · Memberships	14.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			29.98			
EXPENSE TOTAL			130,175.52			

SAN DIEGO LAFCO
Expenses by Vendor Detail
December 2020

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
R | County of San Diego						
	12/11/2020	52490 · Publications	100.00	County Recorder Fees (RO20-14)	check	3558 · SDCCU Checking
	12/11/2020	52490 · Publications	9,251.38	PHN Fees (RO20-14)	check	3558 · SDCCU Checking
			9,351.38			
R | ESRI						
	12/11/2020	52270 · Memberships	1,495.00	Conference Refund for DN	check	3558 · SDCCU Checking
R | Harper Communities Inc						
	12/31/2020	46234 · Applications	7,686.00	LAFCO Processing Fees (RO20-22)	check	1000 · County Account (44595)
R | Jayme Ingram						
	12/11/2020	52490 · Publications	50.00	County Recorder Fees (RO19-15)	check	3558 · SDCCU Checking
R | Lance Waite						
	12/11/2020	52490 · Publications	50.00	County Recorder Fees (RO20-15)	check	3558 · SDCCU Checking
R | Leucadia WWD						
	12/11/2020	52490 · Publications	50.00	County Recorder Fees (CO20-07)	check	3558 · SDCCU Checking
R | Lloyd Lindauer						
	12/11/2020	52490 · Publications	50.00	County Recorder Fees (RO20-11)	check	3558 · SDCCU Checking
R | Nolan Huelsman						
	12/31/2020	46234 · Applications	6,405.00	LAFCO Processing Fees (CO20-23)	check	1000 · County Account (44595)
R | Robert Morrell						
	12/11/2020	52490 · Publications	50.00	County Recorder Fees (CO20-08)	check	3558 · SDCCU Checking
REVENUE TOTAL			25,187.38			

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AGENDA REPORT
Consent | Action

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Blom, Administrative Assistant

SUBJECT: **Budget Update for 2020-2021 | 2nd Quarter Actuals with Year-End Projections**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions for 2020-2021 through the second quarter and related projections. The report identifies the Commission has expended 48% of its budgeted resources through the halfway point and projected to finish with an operating surplus of $0.046 million or 2.4%. An increase in application fees under the projected surplus. Should the projected surplus hold it will allow the Commission to reduce its budgeted use of reserves by two-thirds and limit the overall change in the fund balance from $1.631 to $1.605 million. The report is being presented to accept and file as well as provide direction to staff as needed.

BACKGROUND

San Diego LAFCO's adopted budget for 2020-2021 totals $1.916 million. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: salaries and benefits; service and supplies; and other. A matching revenue total was also budgeted to provide a projected year-end net of $0 and with the purposeful aid of a planned $0.073 million transfer from unassigned reserves. Budgeted revenues are divided between four active units: intergovernmental contributions; application

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Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Imperial Beach
Erin Lump, Alternate, Rincon del Diablo MWD

fees; earnings; and miscellaneous.[1] The total fund balance as of July 1, 2020 was $1.631 million with $0.956 million unassigned (unaudited).[2] No amendments have been approved to date.

DISCUSSION

This item is for San Diego LAFCO to receive an update comparison of budget to actual expenses and revenues through the second quarter (December 31st). The report provides the Commission the opportunity to track expenditure trends and consider year-end operating projections from the Executive Officer as well as telegraph potential amendments. The report is being presented to the Commission to accept and file along with providing related direction.

Operating Expenses

San Diego LAFCO's budgeted operating expense total for 2020-2021 is $1.916 million. Actual expenses booked through the second quarter totaled $0.917 million. This booked amount represents 47.9% of the budgeted total with 50.0% of the fiscal year complete. A breakdown of budget to actual expenses by unit through December 31st follows.

LAFCO Expense Units	Adopted	Actuals Through 12/31	Percent Expended	Unexpended Balance
1) Salaries and Benefits	1,249,712	633,237	50.7	616,475
2) Services and Supplies	661,588	283,735	42.9	377,852
3) Other	5,000	0	0.0	5,000
Total	**$1,916,300**	**$916,972**	**47.9%**	**$999,327**

Actuals through the second quarter of the fiscal year and related analysis suggest San Diego LAFCO is on pace to finish with $1.926 million in total expenses. Should this projection hold, the Commission will exceed the budgeted total for expenses by ($0.010 million) or (0.5%). An expanded discussion on budgeted and actuals through the first six months along with year-end projections within the three expense units follow.

Expense Unit | Salaries and Benefits

San Diego LAFCO budgeted $1.250 million in salaries and benefits for 2020-2021 with the proceeds largely tied to funding 8.0 fulltime equivalent employees as well as existing retiree obligations.[3] Through the second quarter, actual expenses within the affected line item accounts totaled $0.633 million or 50.7% of the budgeted amount with 50.0% of the fiscal year complete. Going forward it is expected overall actuals will total $1.287 million through the end of the fiscal year and this includes incorporating new employer pension

[1] State law mandates operating costs for LAFCOs shall be annually funded among their represented agency membership categories. San Diego LAFCO's operating costs, accordingly, are divided among four distinct membership categories with the largest apportionment assigned to the County of San Diego at 28.6%. The independent special districts and cities less the City of San Diego are also apportioned funding percentages of 28.6% with individual amounts divided thereafter based on total revenue shares in a given fiscal year. The City of San Diego – and based on special legislation providing the City a dedicated seat on LAFCO – is responsible for the remaining 14.3% of annual operating costs.
[2] The entire fund balance is unrestricted.
[3] Commission per diem payments are also booked in the salaries account.

contribution rates that are higher than budgeted. If this projection holds, the Commission will generate an overall unit deficit of ($0.037 million) or (3.0%) less any amendments.

Expense Unit | Services and Supplies

San Diego LAFCO budgeted $0.662 million in services and supplies for 2020-2021 to provide funding for direct support services. Most of the budgeted funds are dedicated to making reimbursements to the County of San Diego for office rent, information technology, and general overhead as well as professional services (e.g. consultants, legal, etc.). Through the second quarter, actual expenses within the affected line item accounts totaled $0.284 million or 42.9% of the budgeted amount with 50.0% of the fiscal year complete. Close to one-third of these booked expenses – or $0.093 million – involve professional services and represent the single largest actual cost in the unit. Going forward it is expected overall actuals will total $0.637 million through the end of the fiscal year and this includes absorbing two notable unplanned expenses: purchasing general liability insurance and transitioning all employees to telework. If this projection holds, the Commission will achieve an overall unit savings of $0.25 million or 3.7% less any amendments.

Expense Unit | Other

San Diego LAFCO budgeted $5,000 in two separate units to collectively address equipment depreciation and potential fixed asset purchases in 2020-2021. The Commission has not billed any charges through the second quarter. Going forward it is expected actuals will total $2,500 and result in a year-end balance of $2,500 or 50% less any amendments.

Operating Revenues

San Diego LAFCO's budgeted operating revenue total for 2020-2021 is $1.916 million. Actual revenues collected through the second quarter totaled $1.882 million. This amount represents 98.2% of the budgeted total with 50.0% of the fiscal year complete. A breakdown of budget to actual revenues within each of the four affected units through December 31st follows.

Revenue Units	Adopted	Actuals Through 12/31	Percent Collected	Uncollected Balance
1) Intergovernmental	1,693,700	1,693,700	100.0	0
2) Application Fees	130,000	182,687	140.5	(52,687)
3) Earnings	20,000	5,222	26.1	14,778
4) Miscellaneous	72,600	0	0	72,600
Total	**$1,916,300**	**$1,881,609**	**98.2%**	**$34,691**

Actuals through the second quarter and related analysis suggest San Diego LAFCO's year-end revenue totals will tally $1.973 million. Should this projection hold, the Commission will achieve a budgeted surplus in revenues of $0.057 million or 3.0% and attributed to collecting additional application fees. An expanded discussion on budgeted and actual revenues in the four units through the first six months along with year-end projections follows.

Revenue Unit | Intergovernmental Fees

San Diego LAFCO budgeted $1.694 million in intergovernmental fees in 2020-2021. This total budgeted amount was subsequently divided between San Diego LAFCO's four agency membership categories based on statutory formula and detailed in the accompanying footnote.[4] All apportionments have been collected.

Revenue Unit | Application Fees

San Diego LAFCO budgeted $0.130 million in application fees in 2020-2021. Through the second quarter, the Commission collected $0.183 million in application fees and represents 140.5% of the budgeted amount with 50.0% of the fiscal year complete. It is expected actuals will total $0.196 million by the end of the fiscal year. Should this projection hold, the Commission will achieve a budgeted surplus of $0.066 million or 50.8%.

Revenue Unit | Interest

San Diego LAFCO budgeted $0.020 million in interest earnings in 2020-2021. Through the second quarter, the Commission collected $0.005 million in interest earnings and represents 26.1% of the budgeted total. Staff anticipates the unit ultimately tallying $0.011 million and result in a year-end deficit of ($0.010 million) or (47.8%).

Revenue Unit | Miscellaneous

San Diego LAFCO budgeted $0.073 million in operating transfers from unassigned reserves in 2020-2021. This transfer was purposefully budgeted in conjunction to use reserves to reduce increases in agency contributions. No transfers were made through the second quarter. A full transfer is expected for budgeting purposes at this time but will be reduced and/or eliminated in conjunction with any operating surplus.

ANALYSIS

Activity through the second quarter of the fiscal year shows San Diego LAFCO is generally proceeding as planned and without the need for any correcting amendments at this time. As detailed in the preceding sections, it is projected the Commission will finish with an overall operating surplus of $0.046 million or 2.4%. This includes – notably – absorbing two unplanned costs associated with purchasing general liability insurance and transitioning employees to telework with the latter involving laptop, cell phone, and other related home office item purchases. The current year-end projection also marks a moderate improvement over the earlier projection made at the end of the first quarter and its anticipated 1.8% surplus. Nonetheless, and as a placeholder to a future item, amendments are probable to remedy a projected deficit in the salaries and benefits unit due to higher-than-expected pension contribution rates to ensure all units end with positive balances.

[4] The County of San Diego, independent districts, and cities less San Diego all received apportionments equaling $0.484 million. The remaining amount – $0.242 million – was apportioned to the City of San Diego.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the report and provide related direction to staff as needed. This recommendation is consistent with Alternative One outlined below.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Accept and file the report with any additional direction to staff as needed.

Alternative Two:
Continue to a future meeting and provide direction to staff with respect to any additional analysis or information requested.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. Accordingly, 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,



Keene Simonds
Executive Officer

Attachment:

1) 2020-2021 Operating Budget with Actuals Through December 31st and Year-End Projections

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

OPERATING EXPENSES

		FY 2018-2019		FY 2019-2020		FY 2020-2021				
		Adopted	Actuals	Adopted	Actuals	Adopted	Actuals 2nd Quarter	Actuals % Expended	Projected Year End	Projected % Expended
Salaries and Benefits Unit										
Account No.	Description									
51110-51310	Salaries and Wages	689,719	638,748	722,780	695,356	763,339	377,813	49.5%	769,295	100.8%
51410	Retirement - SDCERA	239,780	230,865	258,148	255,294	272,668	149,714	54.9%	296,538	108.8%
51415	Retirement - OPEB	10,560	10,091	10,539	10,165	10,977	5,044	46.0%	11,465	104.5%
51421	Retirement - OPEB Bonds	41,598	37,308	40,321	38,219	41,998	19,445	46.3%	43,989	104.7%
51450	Payroll Taxes (Social Security and Medicare)	48,958	46,163	53,393	49,698	55,613	24,959	44.9%	52,907	95.1%
51510-51550	Group Insurance (Health and Dental)	96,958	95,405	100,234	105,031	103,116	56,143	54.4%	112,471	109.1%
51560	Unemployment Insurance	4,032	163	3,769	138	2,000	119	6.0%	240	12.0%
		1,131,604	1,058,743	1,189,184	1,153,901	**1,249,712**	**633,237**	**50.7%**	**1,286,904**	**103.0%**
Services and Supplies Unit										
Account No.	Description									
52074	Telecommunications	2,500	3,860	3,600	3,829	3,636	2,427	66.7%	5,235	144.0%
52138	General Liability Insurance	-	-	-	3,419	-	10,576		10,576	-
52178	Vehicle - Maintenance	2,000	610	1,500	1,309	980	480	49.0%	960	97.9%
52182	Vehicle - Fuel	1,500	367	1,000	245	1,000	29	2.9%	300	30.0%
52270	Memberships	13,000	14,601	28,139	18,049	25,412	17,977	70.7%	19,477	76.6%
52304	Miscellaneous	50	20	50	10	50	25	50.0%	25	50.0%
52330	Office: General	8,500	6,399	7,420	4,781	7,420	1,642	22.1%	3,742	50.4%
52332	Office: Postage	500	84	500	275	500	-	0.0%	-	0.0%
52334	Office: Printing	10,000	4,795	10,000	1,199	10,000	712	7.1%	2,500	25.0%
52336	Office: Books and Guidelines	2,000	3,226	2,000	4,112	2,000	-	0.0%	3,500	175.0%
52338	Office: Drafting/Engineering	50	-	50	-	50	-	0.0%	-	0.0%
52344	Office: Supplies and Furnishings	17,500	9,302	17,800	8,145	15,800	5,154	32.6%	10,308	65.2%
52354	Office: County Mail Services	9,000	18,896	10,000	8,514	10,000	3,452	34.5%	6,905	69.0%
52370	Professional Services: Consultants	259,110	398,125	234,505	226,762	190,094	93,239	49.0%	236,432	124.4%
52490	Publications and Legal Notices	5,000	10,382	4,650	8,088	4,650	4,079	87.7%	8,100	174.2%
52504	Leases: Equipment	6,500	8,137	6,600	5,915	6,600	3,094	46.9%	6,094	92.3%
52530	Leases: Office Space	79,880	79,555	82,657	81,877	84,764	41,962	49.5%	83,924	99.0%
52550	Special Expenses: County Overhead	155,000	113,842	100,896	48,613	91,507	23,031	25.2%	57,578	62.9%
52562	Special Expenses: New Hire Backgrounds	-	689	-	-	-	1,112		1,112	
52566	Special Expenses: Minor Equipment	1,000	2,788	1,000	641	1,000	-	0.0%	-	0.0%
52602	Computer Training	2,000	-	2,000	-	2,000	-	0.0%	-	0.0%
52610	Travel and Training | In County	5,000	6,634	4,500	7,367	4,500	557	12.4%	907	20.2%
52612	Employee Auto	10,000	9,069	9,700	8,779	9,700	3,600	37.1%	7,920	81.6%
52622	Travel and Training | Out of County	10,000	25,432	23,550	13,271	19,925	-	0.0%	19,925	100.0%
52704-52722	Reimbursements: Network	30,000	26,450	30,000	29,065	30,000	15,813	52.7%	31,626	105.4%
52723	Reimbursements: Data Center	45,000	30,728	45,000	29,233	45,000	14,661	32.6%	36,653	81.5%
52725	Reimbursements: Financial Systems	20,000	27,556	20,000	23,320	20,000	10,192	51.0%	20,384	101.9%
52726-52732	Reimbursements: Desktop Computing	25,000	25,311	25,000	51,246	25,000	22,144	88.6%	44,289	177.2%
52734	Reimbursements: Help Desk	3,000	4,743	3,000	2,689	3,000	1,154	38.5%	2,538	84.6%
52750-52754	Reimbursements: Catalog Equipment	45,000	32,097	45,000	38,602	45,000	5,630	12.5%	14,075	31.3%
52758	Reimbursements: Vehicle Lease	2,000	1,986	2,000	1,986	2,000	993	49.6%	1,986	99.3%
		770,090	865,684	722,117	631,341	**661,588**	**283,735**	**42.9%**	**637,070**	**96.3%**

OPERATING EXPENSES CONTINUED...

Other Units

Account No.	Description								
53585	Equipment Depreciation	2,500	2,500	2,500	2,500	2,500	-	-	2,500	100.0%
54955-54961	Fixed Assets	2,500	-	2,500	-	2,500	-	-	-	0.0%
		5,000	2,500	5,000	2,500	**5,000**	**-**	**-**	**2,500**	**0.0%**
	EXPENSE TOTALS	1,906,694	1,926,927	1,916,300	1,787,742	**1,916,300**	**916,972**	**47.9%**	**1,926,474**	**100.5%**

OPERATING REVENUES

		FY 2018-2019		FY 2019-2020		FY 2020-2021				
		Adopted	**Actuals**	**Adopted**	**Actuals**	**Adopted**	**Actuals**	**Actuals**	**Projected**	**Projected**
Intergovernmental Unit										
Account No.	Description									
45918.1	Apportionments | County	475,684	475,684	486,771	486,771	483,914	483,914	100.0%	483,914	100.0%
45918.2	Apportionments | Cities (less SD)	475,684	475,684	486,771	486,771	483,914	483,914	100.0%	483,914	100.0%
45918.3	Apportionments | City of San Diego	237,842	237,842	243,386	243,386	241,957	241,957	100.0%	241,957	100.0%
45918.4	Apportionments | Special Districts	475,684	475,684	486,771	486,771	483,914	483,914	100.0%	483,914	100.0%
		1,664,894	1,664,894	1,703,700	1,703,700	**1,693,700**	**1,693,700**	**100.0%**	**1,693,700**	**100.0%**
Service Charges Unit										
Account No.	Description									
46234	Service Charges	125,000	82,147	125,000	201,419	130,000	182,687	140.5%	196,087	150.8%
		125,000	82,147	125,000	201,419	**130,000**	**182,687**	**140.5%**	**196,087**	**150.8%**
Earnings Unit										
Account No.	Description									
44105	Interest and Dividends	6,800	19,052	15,000	25,812	20,000	5,222	26.1%	10,444	52.2%
		6,800	19,052	15,000	25,812	**20,000**	**5,222**	**26.1%**	**10,444**	**52.2%**
Miscellaneous Unit										
Account No.	Description									
47540	Transfer from Fund Balance	110,000	217,186	72,600	-	72,600	-	-	72,600	100.0%
		110,000	217,186	72,600	-	**72,600**	**-**	**-**	**72,600**	**100.0%**
	REVENUE TOTALS	1,906,694	1,983,279	1,916,300	1,930,931	**1,916,300**	**1,881,609**	**98.2%**	**1,972,831**	**103.0%**
OPERATING NET		**-**	**56,352**	**-**	**143,189**	**-**			**46,356.67**	

FUND BALANCE | JUNE 30th	
Audited	**FY2019**
	175,000
	75,000
	1,238,223
	1,488,223

FUND BALANCE | JULY 1st		
Unaudited	**FY2020**	**FY2021**
Committed		
... Stabilization	250,000	250,000
... Opportunity	300,000	300,000
Assigned	125,000	125,000
Unassigned	813,223	956,412
	1,488,223	1,631,412

5d

AGENDA REPORT
Consent | Action

February 1, 2020

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Linda Heckenkamp, Analyst II

SUBJECT: **Protest Hearing Results |**
"Valley Center Community Services District Reorganization" (RO20-13)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of the protest hearing held for the "Valley Center Community Services District Reorganization". This proposal was conditionally approved by the Commission in November 2020 and involves the dissolution of the Valley Center CSD and termination of its park and recreation function and concurrent formation of County Service Area (CSA) No.138 as the designated successor agency. The noticed protest hearing was held by staff on December 3rd without generating written opposition from affected landowners or voters. The protest results are being presented to the Commission to receive and file.

BACKGROUND

Proposal Request

In June 2020, the Valley Center CSD and the County of San Diego filed a joint-reorganization proposal with San Diego LAFCO. The joint proposal followed an earlier LAFCO recommendation from a municipal service review on the Valley Center region and requested the concurrent dissolution of Valley Center and formation of the CSA No. 138 as the successor agency and assume park and recreation responsibilities. The affected territory totals 42,420

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Marni von Wilpert, Alt, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Escondido
Erin Lump, Alternate, Rincon del Diablo

acres in the unincorporated community of Valley Center northeast of the City of Escondido with an estimated resident population of approximately 19,200.

Commission Action

On November 2, 2020, San Diego LAFCO held a noticed public hearing to consider the joint-reorganization proposal filed by the Valley Center CSD and the County of San Diego. The Commission proceeded to conditionally approve the proposal without modifications. The Commission also delegated protest hearings to the Executive Officer as allowed under policy.

DISCUSSION

This information 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 reorganization proposal as required under policy. The protest hearing was held on December 3, 2020 and produced no written submittals from affected landowners or registered voters objecting to the reorganization.[1] The reorganization will proceed and become final once the applicants satisfy all remaining approval terms are satisfied.

ANALYSIS

The reorganization to dissolve Valley Center CSD and form CSA No. 138 has cleared its last substantive threshold with the completion of protest proceedings. Consistent with the Commission's earlier approval, the reorganization will take effect no sooner than March 1, 2021 once all remaining terms have been satisfied.

RECOMMENDATION

It is recommended San Diego LAFCO formally receive the results of the protest hearing held on the reorganization 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 "Valley Center Community Services District Reorganization" as presented.

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

[1] The total number of landowners within the affected territory are 12,182. The total number of registered voters within the affected territory are 12,171. Notice of the protest hearing was provided in manner allowed under statute and included publishing advertisements in the Union Tribune as well as several local newspapers.

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,

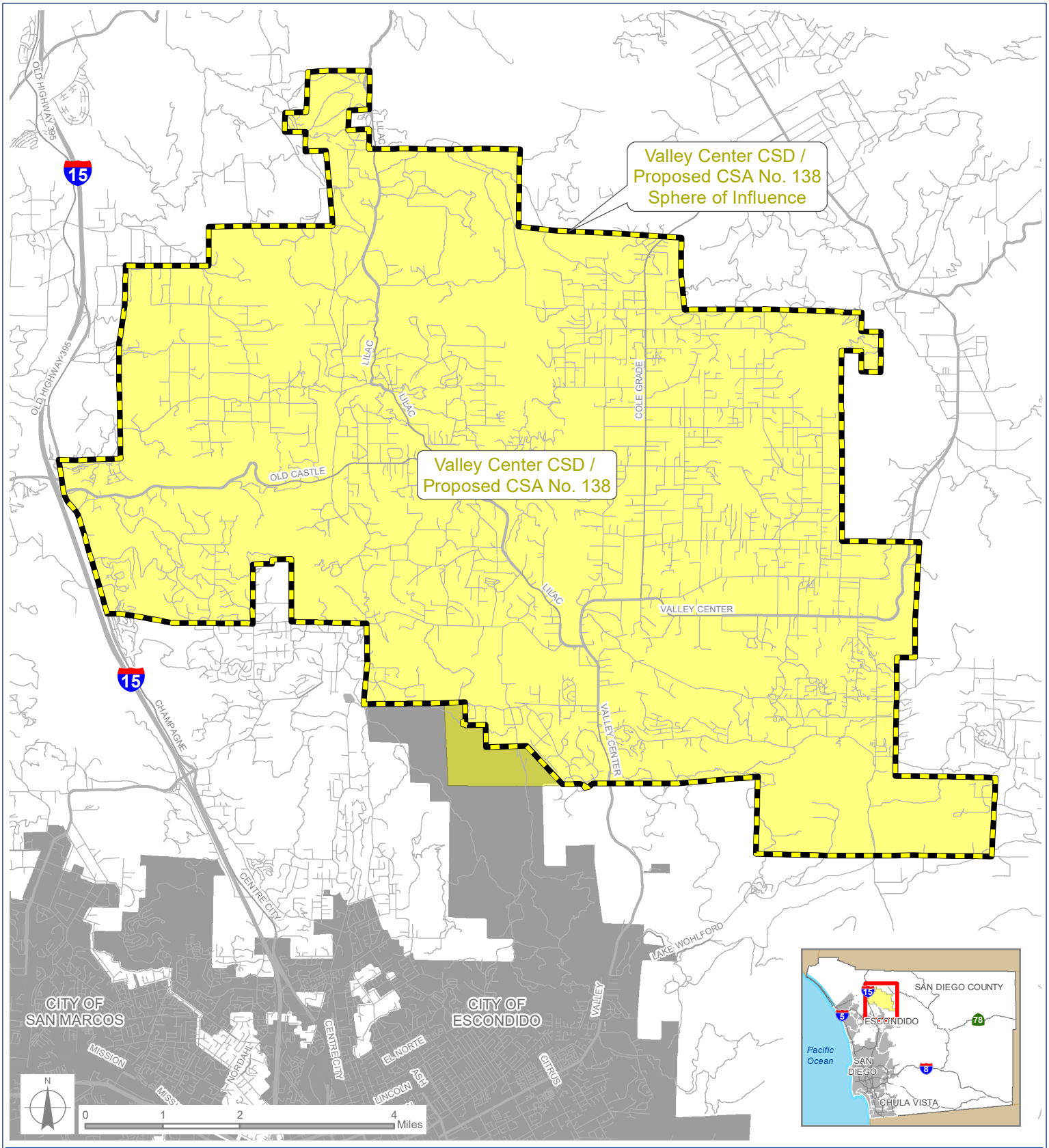
Linda Heckenkamp

Linda Heckenkamp
Analyst II

Attachment:

1) Map of the Affected Territory

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RO20-13

Proposed "Concurrent Dissolution of Valley Center Community Services District and Formation of County Service Area No. 138"

Valley Center CSD / CSA No. 138

Valley Center CSD / CSA No. 138 SOI

SOI = Sphere of Influence

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

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G:\GIS\Vicinity_Maps\agendamaps2020\20-13 Valley Center CSD Vicinity.mxd

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AGENDA REPORT
Consent | Action

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: **Progress Report on 2020-2021 Workplan and Proposed Amendment**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing the 26 specific projects in the adopted workplan for 2020-2021. This includes noting through the midpoint of the fiscal year 21 of the 26 workplan projects have been initiated with 10 either complete or nearing completion. The report is being presented for formal filing along with separately approving a proposed amendment to initiate implementation of a grant award by the State Department of Conservation. The report also provides the Commission the opportunity to identify other amendments for future action.

BACKGROUND

2020-2021 Workplan

San Diego LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on May 4, 2020. The workplan includes 26 projects and divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The Commission reserves discretion to amend the workplan during the fiscal year to address changes in priorities or resources as well as to continue projects into subsequent fiscal years.

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Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Escondido
Erin Lump, Alternate, Rincon del Diablo MWD

DISCUSSION

This item provides San Diego LAFCO with its regular update on the 26 targeted projects formally established for the fiscal year and provide related input and/or direction. This includes staff assigning one of four status categories to projects ranging from pending to complete and detailed in Attachment One. The item also proposes an amendment to expand the workplan to include a new project involving implementation of a grant award from the State Department of Conservation as described in the proceeding section. The Commission may also choose to identify other amendments to the workplan for future action.

ANALYSIS

San Diego LAFCO is generally proceeding as planned with work having been initiated on 21 of the 26 projects through the midpoint of the fiscal year. Four projects have already been completed and headlined by updating the Agricultural and Open Space Lands Policy. Six other projects are nearing their completion, and this includes several municipal service reviews scheduled for Commission consideration over the next few meetings. Staff also believes an amendment is warranted and timely to begin work on a recently awarded State planning grant in the amount of $250,000 to identify and track agricultural trends in San Diego County. LAFCO serves as the grant lead and it is recommended the workplan be expanded to begin implementation of the project as a high priority starting with entering into a memorandum of understanding with the other grant participants to clarify roles and responsibilities for Commission approval. Additional phases of the grant will be proposed in the workplan covering the 2021-2022 fiscal year.

RECOMMENDATION

It is recommended San Diego LAFCO receive and file its regular update to the adopted workplan as well as approve an amendment to begin tracking agricultural trends consistent with the recent grant award from the State as a high priority. This recommendation would be accommodated by taking the actions outlined in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

a) Receive and file the regular update to the workplan as presented.

b) Approve an amendment to the workplan to include a new high priority project titled "State Planning Grant: Agricultural Trends" with the specific task of negotiating and entering into an implementing memorandum of understanding with project partners.

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

Alternate Three:
Take no action. This alternative would result in LAFCO declining the grant award.

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,



Keene Simonds
Executive Officer

Attachment:

1) 2020-2021 Workplan with Status Notations

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

2020-2021 Workplan

Introduction:

Local Agency Formation Commissions' (LAFCOs) operate under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2001 ("CKH") and are delegated regulatory and planning responsibilities by the Legislature to oversee the formation and subsequent development of local government agencies and their municipal service areas. Common regulatory functions include approving jurisdictional changes (annexations, detachments, etc.) and outside service requests. Common planning functions include preparing studies to independently evaluate the availability, performance, and need for municipal services and establishing and updating spheres of influence – which are the Legislature's version of urban growth boundaries and gatekeepers to future jurisdictional changes – for all cities and special districts. All regulatory and planning activities undertaken by LAFCOs may be conditioned and must be consistent with policies and procedures.

Objective:

This document represents San Diego LAFCO's ("Commission") formal 2020-2021 Workplan. The Workplan draws on the recommendations of the Executive Officer as vetted and approved by the Commission. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year to address changes in resources and or priorities and to carry-forward projects into subsequent years.

Executive Summary:

The 2020-2021 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. This includes continuing work on existing projects established – but not yet completed – from earlier fiscal years and marked by completing municipal service reviews for the Escondido, Vista, San Marcos, and Fallbrook-Rainbow regions. Several policy updates are also scheduled and include reviewing LAFCO's existing policies regarding the identification and authorization of special district service functions and classes. Other administrative projects filling the Analyst I/II position and securing a long-term office lease.

Priority	Level	Type	Project	Description and Key Issues	Status
Continual	...	Statutory	Applicant Proposals	LAFCO will prioritize resources to address proposals involving boundary changes and outside service requests and includes the following prominent proposals already on file or expected to be filed in 2020-2021: - Fallbrook PUD/Rainbow MWD/County Water Authority - Reorganization of CSA No. 135 into FPD - Fallbrook PUD Latent Powers Activation - Reorganization of Valley Center CSD into CSA - Harvest Hills (Escondido et al)	
Continual	...	Administrative	Targeted LAFCO Presentations	LAFCO will prioritize public outreach; emphasis on informing stakeholders ahead of MSR work	
1	High	Statutory	MSR | Fallbrook-Rainbow Region	Reviews of Fallbrook PUD, Rainbow MWD, San Luis Rey MWD, & North County FPD	In progress
2	High	Statutory	MSR | Escondido Region Part II	Review of the City of Escondido; follows completion of Part I (Rincon del Diablo MWD and Deer Springs FPD) in 2019-2020	In progress
3	High	Statutory	MSR | Resource Conservation Services	Countywide study on RCD services; reviews of Mission RCD, Upper San Luis Rey RCD, & Greater San Diego RCD	Near completion
4	High	Administrative	Policy Review | Ag and Open Space	Update existing policies and procedures involving ag and open space; incorporate stakeholder outreach (Farm Bureau, etc.)	**Completed**
5	High	Administrative	Policy Review | Rule No. 4	Update Rule No. 4 and its provisions guiding LAFCO's duty to identify and establish special districts' service functions and classes	In progress
6	High	Statutory	MSR | Poway Region	Review is specific to the City of Poway	Near completion
7	High	Statutory	MSR | San Marcos Region	Reviews of the City of San Marcos, San Marcos FPD, & Vallecitos WD	In progress
8	High	Statutory	MSR | Vista Region	Reviews of the City of Vista, Vista ID, Vista FPD, & Buena SD	In progress
9	High	Administrative	Analyst I/II Position	Perform recruitment and hire of a new Analyst I/II	**Completed**
10	High	Administrative	Office Space	Current lease for office space with County of San Diego expires in August 2020 with no extension options	In progress
11	Moderate	Statutory	MSR | Ramona Region	Review is specific to the Ramona MWD	Near completion
12	Moderate	Statutory	MSR | Pauma Valley Region	Reviews of Pauma MWD, Pauma CSD, Yuima MWD, Mootamai MWD, and Rincon Ranch CSD	Pending
13	Moderate	Administrative	Cities Advisory Committee	Staff and maintain feedback with Cities Advisory Committee and hold no less than two formal meetings in FY	Near completion
14	Moderate	Administrative	Special Districts Advisory Committee	Staff and maintain feedback with Special Districts Advisory Committee and hold no less than three formal meetings in FY	Near completion
15	Moderate	Administrative	Live-Streaming and On-Demand Video	Expand LAFCO's real-time accessibility to the public to include live streaming meetings with on demand accessibility	**Completed**
16	Moderate	Administrative	2019-2020 Audit	Coordinate outside consultant's review of financial statements for 2019-2020 and identify opportunities to improve accounting system	In progress
17	Moderate	Administrative	Policy Review | Study Schedule	Update study schedule calendaring municipal service reviews to reflect current progress and related observations	Pending
18	Moderate	Administrative	SANDAG	Re-establish regular participation in SANDAG's Technical Working Group (TWG) and prepare an informational report on related topics	In progress
19	Moderate	Administrative	State Groundwater Management Act	Prepare report on State Groundwater Management Act (SGMA) implementation in San Diego County relative to LAFCO duties/interests	Near completion
20	Moderate	Administrative	CALAFCO	Participate in CALAFCO through the Board, Leg Committee, and Annual Workshop and Conference in FY	In progress
21	Low	Administrative	Application Procedures	Streamline existing application packet to be more user-friendly; address new statutory requirements	Pending
22	Low	Statutory	MSR | Oceanside and Carlsbad Region	Reviews of the Cities of Oceanside and Carlsbad as well as Carlsbad MWD and Morro Hills	In progress
23	Low	Statutory	MSR | Encinitas Region	Reviews of the City of Encinitas and Leucadia WWD, Olivenhain MWD, & San Dieguito WD	Pending
24	Low	Administrative	SOI/MSR Annual Report	Prepare annual report to serve as living record of all sphere actions in San Diego County	Pending
25	Low	Administrative	Local Agency Directory	Create user-friendly publication identifying and summarizing local governmental agencies subject to LAFCO oversight	In progress
26	Low	Administrative	Social Media	Establish social media presence as a new communication forum	**Completed**

5f

AGENDA REPORT
Consent | Action

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Linda Heckenkamp, Analyst II

SUBJECT: **Ratification of an Administrative Approval | "Estrada-Viejas View Place Outside-of-Agency Service Agreement" - San Diego County Sanitation District (OAS20-20)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider ratification of an administrative approval by the Executive Officer involving an outside-of-agency wastewater service agreement involving the San Diego County Sanitation District (SD). The agreement authorizes San Diego County SD to provide wastewater service to an unincorporated single-family residential parcel in Alpine and was approved by the Executive Officer under policy given a documented public health threat given a vulnerable septic system. Approval has been termed on receipt of a landowner application requesting a change of organization to formally annex the affected territory to the San Diego County SD and will expire in one calendar year unless a time extension is requested and authorized.

BACKGROUND

Outside Service Contracts | Statute and Policy Provisions

Government Code Section 56133 prohibits cities or special districts from providing new or extended services by contracts outside of their jurisdictional boundaries without LAFCO review and approval less certain and limited exemptions. In addition, cities or districts may only provide services by contract outside of their boundaries and within their spheres of

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influence in anticipation of later changes of organization to annex the affected territory. If the affected territory lies outside the subject agencies' spheres of influence, outside-of-agency services may only be extended in response to documented threats to the health or safety of the public or the residents.

San Diego LAFCO's adopted policies outline procedures to consider requests for cities and districts to provide outside-of-agency services by contracts or agreements. These policies include providing the Executive Officer with administrative authority to approve agreements in response to documented health and safety emergencies and generally premised on remediation of failed and/or failing wells and septic systems based on substantiating documentation. The policies also require the Executive Officer to inform the Commission of all administrative approvals at the next available meeting.

Applicant Request and Administrative Approval

San Diego LAFCO received a request from interested landowners (Victor and Brenda Estrada) in October 2020 for approval to enter into an outside wastewater service contract with the San Diego County SD involving an approximate 1.0 acre unincorporated parcel in Alpine and within the District sphere of influence (404-200-24). The subject parcel lies at 3014 Viejas View Place and until recently was developed with a 2,600 square foot single-family residence before being destroyed along with an inground septic system by the West Fire in July 2018. The outside wastewater service request is intended to help expedite the rebuild of a single-family residence and address documented concerns involving a temporary septic system. Staff proceeded to coordinate with San Diego County SD – including confirmation a lateral connection is available to a nearby collection line – and the Executive Officer issued an administrative approval on January 8, 2020. Approval was termed on the landowners filing an application to annex the affected territory to the San Diego County SD and terminates in one calendar year unless a time extension is requested and authorized.

DISCUSSION

This item is for San Diego LAFCO to ratify an earlier administrative approval by the Executive Officer involving an outside wastewater service agreement allowing San Diego County SD to extend wastewater service to the subject parcel at 3014 Viejas View Place. The item also provides the Commission the opportunity to offer related direction in processing these types of requests proceeding forward consistent with membership preferences.

ANALYSIS

The Executive Officer's administrative approval allowing the San Diego County SD to contractually extend wastewater service beyond its jurisdictional boundary to the subject parcel at 3014 Viejas Place in Alpine conforms to statute and Commission policies. This includes an extension of service in anticipation of a near-term annexation (statute) as well as abating public health concerns associated with operating a temporary septic system given – and among other factors – the elevated risk of soil movement due to the recent fire event

(policy). This latter consideration, notably, draws on documentation provided by the County of San Diego's Department of Environmental Health and included in the application materials. Ratification serves to formalize the approval under statute and clarifies the Commission's interest in the Executive Officer administratively processing future requests similarly.

RECOMMENDATION

It is recommended San Diego LAFCO formally ratify the Executive Officer's administrative approval authorizing the San Diego County SD to extend public wastewater service to the subject parcel at 3014 Viejas View Place in Alpine. This recommendation is 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):
Ratify approval of the outside-of-agency wastewater service agreement between San Diego County SD and the applicants issued by the Executive Officer on January 8, 2020 and the associated terms as provided in Attachment Two.

Alternative Two:
Continue item to a future meeting.

PROCEDURES FOR CONSIDERATION

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.

On behalf of the Executive Officer,

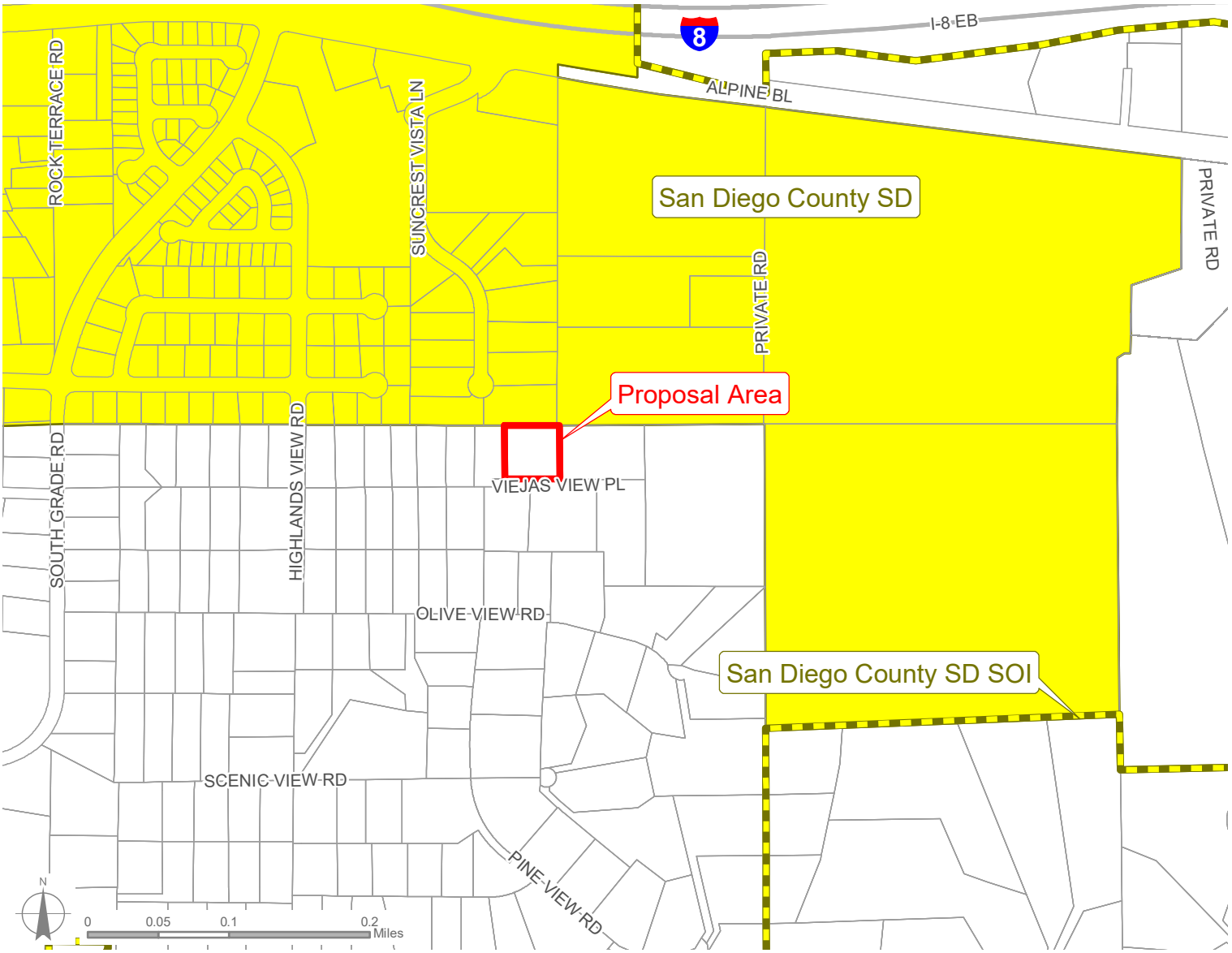
Linda Heckenkamp

Linda Heckenkamp
Analyst II

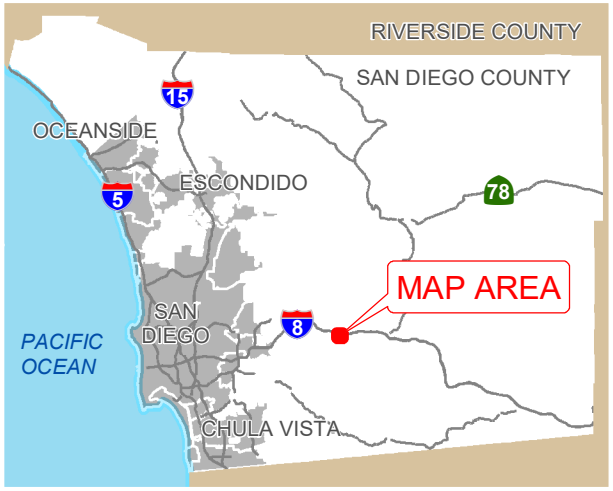
Attachments:

1) Map of the Affected Territory
2) Certificate of Administrative Approval
3) Proposal Materials - Temporary Water Service Agreement

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CO20-20
OAS20-20

"ESTRADA - VIEJAS VIEW PLACE CHANGE OF ORGANIZATION AND CONTRACTUAL WASTEWATER SERVICE AGREEMENT" | ANNEXATION TO SAN DIEGO COUNTY SANITATION DISTRICT

- Proposal Area
- San Diego County SD
- San Diego County SD SOI

SOI = Sphere of Influence

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

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CERTIFICATE OF ADMINISTRATIVE APPROVAL OF A CONTRACTUAL WASTEWATER SERVICE AGREEMENT

San Diego County Sanitation District / Victor and Brenda Estrada
(LAFCO File No. OAS20-20)

I hereby certify that I have examined the above-cited agreement and have found it to be substantially in compliance with Government Code Section 56133 and the Commission's policies and procedures. This Certificate of Administrative Approval of a Contractual Wastewater Service Agreement is therefore issued contingent on the execution of the San Diego County Sanitation District's Temporary Wastewater Connection Agreement with the property owner. The name of each city and/or district included in the contractual service agreement, all located within San Diego County, and the type of service(s) to be provided is/are as follows:

City or District	Service(s) to be Provided
San Diego County Sanitation District	Wastewater

A legal description and map of the boundaries of the above-cited contractual service agreement area as well as a copy of the agreement signed by all parties are available in the LAFCO office. The terms and conditions, if any, are contained in the agreement. The affected territory totals approximately 1.0 acres and includes one unincorporated parcel (APN 404-200-24) developed with one single-family residence with a situs address of 3014 Viejas View Pl, Alpine, CA 91901. The existing residence utilizes using an underground septic disposal system that was destroyed in a 2007 wildfire event., and the County Department of Environmental Health (DEH) has recommended the residence be connected to public wastewater service. The property is located within the sphere of influence of the San Diego County Sanitation District and is subject to a pending change of organization ("Estrada-Viejas View Place Change of Organization," Ref No. CO20-20) involving an annexation to the San Diego County Sanitation District.

Administrative approval to provide wastewater service through a contractual service agreement has been granted by the County of San Diego Department of Environmental Health documented in a letter dated August 14, 2020 that the property's existing on-site septic posed a health and safety emergency and recommended an expedited connection to the San Diego County Sanitation District's wastewater system.

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Paul McNamara, Alternate, City of Escondido
Chris Cate, City of San Diego
Marni von Wilpert, Alternate, City of San Diego
Jo MacKenzie, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo
Chair Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

Accordingly, the request by the San Diego County Sanitation District for approval of a temporary contractual water service agreement in advance of the pending annexation is warranted to resolve the emergency threat to the health and safety of the residents. The contracted water service agreement authorization terms in one year – January 8, 2022 – unless a time extension is requested and approved by the Executive Officer.

Keene Simonds, Executive Officer

Date: January 8, 2021

SAN DIEGO COUNTY
Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, CA 92123
MS: O-216

CONTRACTUAL SERVICE AGREEMENT

The San Diego County Sanitation District, an independent sewer agency formed and operating under the County Sanitation District Act, Health & Safety Code § 4700 et seq., hereinafter called the "District", and Victor A & Brenda A Estrada "parcel owner", hereinafter called the "Owner(s)", agree as of _____, 2020, as follows:

1. The Owner(s) represent that they hold title to that certain real property located in the County of San Diego, State of California, commonly referred to as 3014 Viejas View Place and also identified by Assessor's Parcel Number 404-200-24-00.

2. That said real property is located outside of the District, but with the approval of the San Diego Local Agency Formation Commission ("LAFCO") may be connected to the District's facilities pursuant to Government Code § 56133 to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory. There is an existing and impending threat to public health and safety because the septic system serving the property is unable to reliably receive wastewater for treatment. This threat will be eliminated if the property is connected to District sewer facilities

3. That subject to the approval of LAFCO of this Contractual Service Agreement and payment of all applicable District fees and charges the Owner(s) shall have the privilege of connecting a sewer line from the structure located on said real property to the District's sanitary sewer system

4. That the connection to the District's sanitary sewer shall occur under the direction of the Director, Department of Public Works of the County of San Diego ("Director"), acting on behalf of the District, in accordance with the ordinances and regulations of the District, and shall be made at such place on the District's sanitary sewer and in such manner as the Director shall specify. The cost of such connection shall be paid by the Owner(s).

5. Owner(s) shall pay all fees and costs incurred by the District to process this Contractual Services Agreement, including without limitation any LAFCO fees. In addition, Owner(s) shall obtain a Wastewater Discharge Permit from District and pay all fees and charges required by District to connect the real property to the District's facilities and for the District to provide ongoing wastewater service to the real property.

6. The Owner(s), Owners' executors, administrators, heirs, successors and assigns shall pay to the District through the Department of Public Works of the County of San Diego, and prior to the connection of the property defined in this Agreement, an annual sewer service fee at the prevailing rate, prorated at time of permit issuance. Said fee shall be paid pursuant

to this Agreement and applicable District ordinances, on an annual basis thereafter, and shall be collected through the property tax rolls.

7. The District shall have the power to increase the amount of the annual sewer service charge prescribed in Paragraph 6 in proportion to any increased cost or expenses of operating the District.

8. The Owner(s) of said real property consent to the commencement of proceedings by the District to annex said property to the District. The Owner(s) agree that, upon connection of the real property to the District's sewer system, said property shall become subject to any and all ordinances, regulations, fees, taxes and assessments applicable to the property within the District whether or not the property is ever annexed into the District. Notwithstanding the foregoing, Owner(s) agree to work with LAFCO to facilitate the annexation of the property to the District within one (1) year of the Execution Date.

9. The District agrees that upon connection of said property to the District's sanitary sewer, the District shall pursuant to the terms of this Agreement accept the domestic sewage from such building discharged into its sewer lines, which obligation of the District shall continue under the Agreement until such time as the above described real property, upon which such hookup is located, is annexed to the District, or until this Agreement is terminated as hereinafter specified, which ever first occurs. Owner(s) shall be responsible for all costs incurred by District, if any, to disconnect the property from District's facilities upon the termination of this Agreement.

10. This Agreement may be terminated by the Owner(s), Owners' executors, administrators, heirs, successors or assigns by giving to the District ninety (90) days written notice of intention to terminate by serving such notice to the Clerk of the Board of Directors of the District.

11. This Agreement may be terminated by the District by giving ninety (90) days written notice of intention to terminate to the Owner(s), Owners' executors, administrators, heirs, successors or assigns, or to the occupants of the aforesaid property.

12. This Agreement is entered pursuant to the authority granted to the District in the Health and Safety Code § 4742.1 and Government Code § 56133.

13. This Agreement is subject to the LAFCO review and approval.

14. This Agreement shall take effect after execution by the parties and when administratively approved by LAFCO.

Dated this _____day of_____, 2020.

Director, Department of Public Works
San Diego County Sanitation District

Executive Officer, LAFCO Date

Applicant's Signature

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AGENDA REPORT
Consent | Information

February 1, 2021

TO: Commissioners

FROM: Robert Barry, Chief Policy Analyst
Linda Heckenkamp, Analyst II
Priscilla Allen, Analyst I

SUBJECT: **Active Proposals and Related Activities**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying active proposals on file with the Commission as well as a summary of anticipated submittals based on ongoing discussions with local agencies. In all, there are currently 28 active proposals on file with the Commission with 20 awaiting hearing. The item is for information and concurrently satisfies LAFCO's reporting requirement to affected agencies for notification of proposal filings made by landowner or registered voter petitions.

BACKGROUND

Processing Procedures and Timelines

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which typically involves annexations, detachments, and service function activations or divestures – are generally initiated by outside applicants (subject landowners or registered voters, and/or local affected agencies). LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. LAFCO staff proceeds with administrative reviews and within 30 days provides status letters to applicants advising what

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– if any – additional information is needed. Once deemed complete, proposals are scheduled for Commission consideration and placed on the agenda as consent, business, or hearing items based on noticing requirements.[1] Overall, most proposals are forwarded to the Commission within six months from the date of submittal.

DISCUSSION

This item is being presented for information only and identifies all active proposals currently on file with San Diego LAFCO. The report also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being submitted with LAFCO in the near term based on discussions with local agencies. The information item also serves to concurrently satisfy the Commission's reporting requirement to provide notice on agendas to affected special districts when proposed annexation applications are initiated by landowner or registered voter petitions.[2] A summary of active and pending proposal applications follow and detailed in Attachment One.

Active Proposals & Related Petition Notifications

There are 28 proposals currently active and undergoing processing with San Diego LAFCO as of date. Current processing stages of these active proposals range from pre-Commission action (20) to post-Commission action (8) with the latter category representing items already approved but awaiting the completion of conducting authority proceedings or terms. No new proposals have been filed with LAFCO since the last report in December 2020.

Pending Agency Proposals

There are four substantive agency proposals staff anticipates being submitted to San Diego LAFCO in the near future.[3] These four pending proposals are currently under local agency consideration with respect to development entitlements and environmental review. Three of these pending proposals would involve city annexations in North County to accommodate relatively large residential subdivision projects and involve Harvest Hills (Escondido), Sager Ranch (Escondido), and Rancho Lomas Verdes (Vista).

[1] The Executive Officer may also place proposals otherwise meriting consent on the business calendar to solicit additional review and discussion if warranted. Separately, applications involving outside-of-agency service extension requests follow separate proceedings and may be administratively approved by the Executive Officer if addressing documented public health or safety threats.

[2] 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.

[3] Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

ANALYSIS

San Diego LAFCO remains active in processing more than two dozen proposals with the majority awaiting consideration by the Commission. Most active proposals have been initiated by landowners and involve single lots in the unincorporated area subject to tentative development approvals and as such require annexations to water and/or wastewater providers. Notable exceptions include two contested reorganizations separately filed by Rainbow Municipal Water District and Fallbrook Public Utility District to detach from the San Diego County Water Authority and annex to Eastern Municipal Water District and in doing so transfer their wholesale water supplier.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

This item is being presented for information only; no action is necessary.

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 staff,



Priscilla Allen
Analyst I

Attachment:

1) Active and Pending Proposal Applications as of January 22, 2021

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	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)	Robert Barry	Application submitted in March 2006 to annex six parcels to the City of Escondido for wastewater service. In 2006, LAFCO approved two out-of-service agreements to allow the City of Escondido to provide wastewater service to two residences with failing septic systems located along Tobacco Road. The agreements between the City and landowners required the annexation of the two parcels. The proposal was deemed incomplete in April 2006 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Two of the affected landowners have responded to the letter and are now working with the City in determining if the other landowners are interested/willing to proceed with the annexation at this time. Ongoing discussions continue.
2	RO08-09	"South Mollison Ave-Snyder Reorganization" - City of El Cajon (Annexation)	Robert Barry	Application submitted in May 2008 for a proposed annexation to the City of El Cajon. The annexation area includes approximately 1.25 acres and is subject to a proposed multi-family residential project and was deemed incomplete in June 2008 status letter. A new status letter was sent in January 2018 to the applicant, new property owner, and City stating the proposal will be considered abandoned unless notified otherwise. No response from any of the interested parties to date. (Expected abandonment subject to pending policy authorization.)
3	DA08-10	"Avocado Way-Potter Annexation" - Vallecitos WD (Annexation)	Robert Barry	Application submitted in March 2008 for a proposed annexation to Vallecitos WD to obtain wastewater service for two existing residences along Avocado Way but deemed incomplete in April 2008 status letter. A new status letter was sent to the applicant in January 2018 stating the proposal will be considered abandoned unless notified otherwise. The current property owner has responded and conveyed their interest to proceed with the annexation. There have been ongoing discussions with Vallecitos WD as of 2018.
4	RO08-15 SA08-15	"Crestlake Estates Reorganization" - San Diego County SD (Annexation) - Lakeside FPD (Annexation) - CSA 69 (Annexation)	Robert Barry	Application submitted in May 2008 requesting a reorganization to provide wastewater services to an approved Tentative Map allowing the development of 60 single-family residences and was deemed incomplete in June 2008 status letter. A new status letter was sent to the applicant in February 2018 stating the proposal will be considered abandoned unless notified otherwise. No response to date. (Expected abandonment subject to pending policy authorization.)

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
5	DA12-02	"Lorch Annexation" - Borrego WD (Annexation)	Robert Barry	Application submitted in March 2012 to annex approximately 9.4 acres to the Borrego Water District to provide water service to one parcel within the District sphere. Application deemed incomplete in an April 2012 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Borrego WD responded to the letter and has reinitiated discussions with the landowner regarding possible service terms. Ongoing discussions with Borrego WD continue.
6	DA16-10	"CSA 17 Harmony Grove Annexation" - CSA 17 (Annexation)	Linda Heckenkamp	Application submitted in May 2016 to annex approximately 3,600 acres to CSA 17 for ambulance service and done so as a cross-condition of the Rancho Santa Fe Fire Protection District Reorganization: Dissolution of CSA No. 107 (Elfin Forest/Harmony Grove). The proposal was deemed incomplete in June 2016 status letter. The CSA 17 Advisory Committee has opposed the annexation. A negotiated property tax exchange agreement is also necessary. LAFCO staff met with the applicant in August 2019 to provide assistance and continues to discuss opportunities to proceed forward.
7	RO16-11	"Rancho Hills Annexation" - Rancho Santa Fe CSD (Annexation)	Robert Barry	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 November 2016 status letter. Applicant has requested the proposal processing be placed on hold. Staff has remained in contact with the applicant and is awaiting their confirmation to proceed.
8	Ro19-04	"Ortega – Olde Highway 80 Change of Organization" - San Diego County Sanitation District (Annexation)	Linda Heckenkamp	Application submitted in February 2019 by landowner petition to annex two residential lots totaling approximately 5.07 acres to San Diego County Sanitation District for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
9	SA19-26 RO19-26 OAS19-26	"Valiano - Eden Valley Reorganization" - City of Escondido (Sphere Amendment and OSA) - San Marcos FPD (Annexation) - Rancho Fe FPD (Sphere Amendment & Detachment)	Robert Barry	Application submitted in November 2019 by landowner petition and the City of Escondido. Proposal involves reorganization of approximately 10.76 acres with annexation to San Marcos Fire Protection District (FPD) and concurrent detachment and sphere exclusion from Rancho Santa Fe FPD; and, amendments to the spheres of influence for the Cities of Escondido (inclusion) and San Marcos (exclusion) for two unincorporated parcels totaling 82.9 acres and subject to a 240.6 acre County of San Diego-approved Specific Plan (TM-5575); and, approval of a contractual wastewater agreement between the landowner of the unincorporated Specific Plan area and the City of Escondido to extend City wastewater service to 326 single-family residences to be constructed within the Escondido sphere. The submitted proposal application is incomplete and pending staff's analysis. (On January 27, 2020, the San Diego Superior Court overturned the County development approvals for the project. The applicant is appealing the Court decision and has requested LAFCO continue to process the reorganization.)
10	LP(E)19-27	"Fallbrook Public Utility District Latent Power Expansion - Park & Rec et,al."	Robert Barry	Application submitted in November 2019 by resolution seeking approval to activate Fallbrook PUD's latent power to exercise park and recreation, street lighting and roads and street functions within its boundaries. The submitted proposal application is incomplete and pending receipt of additional documentation and this includes completion of a scheduled municipal service review for the Fallbrook-Rainbow region.
11	RO20-04	"Rainbow MWD – Eastern MWD Reorganization" – San Diego County Water Authority (detachment) – Eastern Municipal Water District (annexation)	Robert Barry	Application submitted April 2020 by resolution from the Rainbow MWD to concurrently detach from the San Diego County Water Authority and annex to the Eastern MWD. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal.
12	RO20-05	"Fallbrook PUD – Eastern MWD Reorganization" – San Diego County Water Authority (detachment) – Eastern Municipal Water District (annexation)	Robert Barry	Application submitted April 2020 by resolution from the Fallbrook PUD to concurrently detach from the San Diego County Water Authority and annex to the Eastern MWD. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
13	SA20-09 OAS20-09	"Mercurio – Grossmont OSA Agreement" - City of La Mesa (OSA & Sphere Amendment)	Robert Barry	Application submitted in June 2020 by landowner request and involves an out-of-agency contractual wastewater service agreement with the City of La Mesa for one existing single-family residence and one proposed ADU. The unincorporated property totals approximately 0.91 acres, is not contiguous with the City, and is not within the La Mesa sphere of influence. Per Government Code Section 56133, the proposed wastewater OAS agreement requires an amendment for inclusion of the affected territory within the La Mesa sphere in anticipation of a future annexation. The proposal is scheduled for hearing on the February 1st agenda.
14	RO20-10	"Meadowood Reorganization" - Rainbow Municipal Water District (Annexation) - Valley Center Municipal Water District (Detachment)	Robert Barry	Application submitted in June 2020 by resolution from the Rainbow MWD and involves annexation of approximately 374.7 acres and the development of 844 units for water and wastewater service. A concurrent detachment from Valley Center MWD is also proposed. The submitted proposal application is incomplete and pending receipt of additional documentation and this includes completing a scheduled municipal service review involving Rainbow MWD.
15	RO20-17	"Papp-Olive Avenue Reorganization" - Vallecitos Water District (Annexation) - Vista Irrigation District (Detachment)	Robert Barry	Application submitted in August 2020 by landowner petition and involves annexation of approximately 1.2 acres for water and wastewater service. The affected territory is developed with a single-family residence. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff's analysis.
16	RO20-18	"Plumosa Avenue Reorganization" - City of Vista (Annexation) - Vista Fire Protection District (Detachment)	Linda Heckenkamp	Application submitted in September 2020 by resolution of the City of Vista and involves annexation of approximately 0.7 acres for wastewater service. The affected territory is developed with a single-family residence. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff's analysis.
17	RO20-19	"Lakeside Water District – Riverford Reorganization" - Lakeside Water District (Annexation) - Padre Dam Municipal Water District (Detachment)	Robert Barry	Application submitted in September 2020 by resolution of the Lakeside Water District and involves annexation of approximately 5.0 acres for water service. The affected territory is undeveloped with a proposed development by the District for a groundwater treatment facility. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
18	CO20-20 OAS20-20	"Estrada – Veijas View Place Change of Organization" - San Diego County Sanitation District (Annexation)	Linda Heckenkamp	Application submitted in September 2020 by landowner petition and involves annexation of approximately 1.0 acres for wastewater service. The affected territory is developed with a single-family residence experiencing a failing septic. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff's analysis.
19	RO20-21	"Rancho Corrido RV Park Reorganization" - Yuima Municipal Water District (Annexation) - San Diego County Water Authority (Annexation) - Metropolitan Water District (Annexation)	Robert Barry	Application submitted in September 2020 by resolution of the Yuima Municipal Water District and involves annexation of approximately 31.0 acres for water service. The affected territory is developed with 20 mobile homes, 80 time-limited recreational vehicle (RV) spaces, and 20 RV spaces with 90-day time limits. The property includes an office, laundry, and swimming facilities. No new development is anticipated. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff's analysis.
20	CO20-22	"Chinese Bible Church Change of Organization" - Rancho Santa Fe CSD (Annexation)	Robert Barry	Application submitted in November 2020 by landowner petition and involves annexation of approximately 9.09 acres for wastewater service to a religious facility to be developed under a County-approved Major Use Permit. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff's analysis.

	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)	Robert Barry	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	SA18-07 OAS18-07	"Carmichael Drive – Wyman Service Agreement" - City of La Mesa (Sphere Amendment, OAS)	Robert Barry	Proposal involves an outside-of-agency contractual wastewater service agreement between the property owner and the City of La Mesa. OAS covers extension of City wastewater sewer service to one existing unincorporated single-family residence located outside of the La Mesa sphere of influence. The purpose of the OAS is to allow the landowner to proceed with an intensity improvement to develop an accessory workshop unit, which exceeds the permitted capacity of the existing onsite septic system. The proposal was approved by the Commission on April 8, 2018 and is now pending recordation once all terms are satisfied.
23	RO19-15 OAS19-15	"Hamilton-Felicita Reorganization" - City of Escondido (Annexation) - CSA No. 135 (Detachment) - Rincon del Diablo MWD (ID"E") (Exclusion)	Linda Heckenkamp	Proposal application submitted in August 2019 by landowner petition requesting reorganization with the City of Escondido of two unincorporated parcels totaling approximately 0.63 acres and each developed with one single-family residence. Both residences provided documentation of failing/failed septic systems. Emergency OAS agreements for wastewater were granted to resolve the health and emergency situation in advance of annexation to Escondido. Reorganization with Escondido also required concurrent detachment from CSA No. 135 (Regional Communications) and exclusion from RDDMWD ID"E." The proposal was approved by the Commission on June 1st, 2020 and is now pending recordation once all terms are satisfied.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
24	CO20-08	"Fuerte Ranch Estates Change of Organization" - San Diego County Sanitation District (Annexation)	Robert Barry	Application submitted in May 2020 by landowner petition and involves annexation of approximately 27.3 acres to San Diego County Sanitation District to facilitate the development of 36 single-family homes. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.
25	RO20-11	"Lindauer – Olive Street Reorganization" - Vallecitos Water District (Annexation) - Vista Irrigation District (Detachment)	Robert Barry	Application submitted in June 2020 by landowner petition and involves annexation of approximately 4.0 acres for water and wastewater service. The affected territory is developed with a single-family residence experiencing a failing well for domestic water uses. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.
26	RO20-13	"Valley Center Community Services District -County Service Area No. 138 Reorganization" - Valley Center Community Services District (Dissolution) - County Service Area No. 138 (Formation)	Linda Heckenkamp	Application submitted in June 2020 by resolution and involves the concurrent dissolution of Valley Center Community Services District and formation of County Service Area No. 138 to assume park and recreation services. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.
27	RO20-12	"Ortiz – Olive Avenue Reorganization" - City of Vista (Annexation) - Vista Fire Protection District (Detachment)	Linda Heckenkamp	Application submitted in June 2020 by landowner petition and involves annexation to the City of Vista of approximately 4.94 acres for wastewater service and concurrent detachment from Vista Fire Protection District. The affected territory has proposed development of 15 residential lots. The proposal was approved by the Commission on December 7, 2020 and now pending recordation once all terms are satisfied.
28	Ro20-15	"Sunrise-Barham Drive Reorganization" - City of San Marcos (Annexation) - Vallecitos Water District (Annexation)	Robert Barry	Application submitted in July 2020 by landowner petition and involves annexation to the City of San Marcos and Vallecitos Water District of approximately 14.4 acres for wastewater and fire protection services. The affected territory has proposed development of 192 multi-family units. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis. The proposal was approved by the Commission on December 7, 2020 and now pending recordation once all terms are satisfied.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
	PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be direct to Robert Barry)			
29	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 of 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."
30	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.
31	Pending	"Sager Ranch Reorganization" - City of Escondido		This anticipated reorganization involves annexation of approximate 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 lies outside the current City 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.
32	Pending	Harmony Grove Village South (TM-626)		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.

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AGENDA REPORT
Consent | Information

February 1, 2021

TO: Commissioners

FROM: Ruth Arellano, Executive Assistant

SUBJECT: **Roster Update for the Special Districts Advisory Committee**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an update on the composition of the Special Districts Advisory Committee and the results of a recent nomination-election process affecting eight of the sixteen Committee seats. The update is being presented to the Commission for information only.

BACKGROUND

Special Districts Advisory Committee

The Special Districts Advisory Committee was created in August 1971 by San Diego LAFCO and consists of 16 members collectively drawn from the 58 independent special districts in San Diego County. Members serve four-year terms and are appointed by the independent special districts through an election process administered by LAFCO staff. Committee rules also allow its Chair to appoint members to fill unexpired terms as needed. The Committee meets quarterly and is tasked with providing feedback – including recommendations – on germane topics to assist LAFCO in fulfilling its regulatory and planning functions.

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Marni von Wilpert, Alt, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Escondido
Erin Lump, Alternate, Rincon del Diablo MWD

DISCUSSION

This item provides San Diego LAFCO with an update on the current composition of the Special Districts Advisory Committee and follows the recent conclusion of a nomination-election process affecting eight of the sixteen Committee seats. The call for nominations was performed by the Commission Clerk and involved written notice being sent on October 5, 2020 to all 58 independent special districts. A total of nine nominations were received by the November 9th filing deadline. One of the nominees, however, became ineligible after separately losing re-election to their special district board and negating the need to proceed with an election. All eight members with new four-year terms on the Committee along with the other eight members with incumbent terms are identified below.

Special Districts Advisory Committee
Current Membership Roster

Title	Member	Special District	Term
General Manager	Jack Bebee	Fallbrook Public Utility District	10/23
General Manager	Paul Bushee	Leucadia Wastewater District	10/24
Fire Chief	Fred Cox	Rancho Santa Fe Fire Protection District	10/24
Board Director	John Van Doorn	North County Fire Protection District	10/24
Board Director	James Gordon	Deer Springs Fire Protection District	10/23
General Manager	Tom Kennedy	Rainbow Municipal Water District	10/23
General Manager	Sheryl Landrum	Resource Conservation District Greater SD County	10/24
General Manager	Albert Lau	Santa Fe Irrigation District	10/23
Board Member	Hector Martinez	South Bay Irrigation District	10/24
Board Director	Marty Miller	Vista Irrigation District	10/24
Board Director	Mark Robak	Otay Water District	10/23
Board Director	Joel Scalzitti	Helix Water District	10/24
Fire Chief	Mike Simms	Bonita-Sunnyside Fire Protection District	10/23
Board Director	Oliver Smith	Valley Center Municipal Water District	10/24
Board Director	Robert Thomas	Pomerado Cemetery District	10/23
General Manager	Kimberly Thorner	Olivenhain Municipal Water District	10/23

Biographies for all 18 members of the Committee are available online at the LAFCO website.

ANALYSIS

The Special Districts Advisory Committee provides regular and substantive value to San Diego LAFCO with respect to providing timely feedback on jurisdictional proposals and studies ahead of consideration by the Commission. The Committee also now regularly assists the Executive Officer in developing an annual workplan and addressing jurisdictional disputes between two or more special districts; the latter having become a more common issue of late and due in part to LAFCO advancing its municipal service review program and identifying boundary/service irregularities. The next quarterly meeting is scheduled for March 19, 2021.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only. It is recommended the Commission review the report with the invitation to discuss and ask questions of staff.

ALTERNATIVES FOR ACTION

This item is being presented for information only; 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.

On behalf of staff,

Ruth Arellano
Executive Assistant
Clerk to the Advisory Committee

Attachment: none

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AGENDA REPORT
Public Hearing

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Linda Heckenkamp, Analyst II

SUBJECT: **Final Report and Related Actions |**
Municipal Service Review on Resource Conservation Districts

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a final report involving the scheduled municipal service review on the resource conservation districts (RCDs). The report returns with limited revisions from its draft presentation in December and represents an independent assessment of level and range of services provided by all three RCDs operating in San Diego County. All recommendations included in the draft – including direction to the agencies to ensure their services appropriately align with their jurisdictional boundaries and/or authorized outside extensions – remain in the final report. Also added to the final report is a new recommendation for LAFCO to prepare an addendum to further evaluate the Upper San Luis Rey RCD's current eligibility to provide groundwater management. Staff recommends the Commission formally accept the final report as well as adopt a resolution making determinations on all factors required under statute as part of the municipal service review directive.

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Io MacKenzie
/ista Irrigation
3arry Willis
Alpine Fire Protection
Erin Lump, Alternate
Rincon del Diablo
Chair Andy Vanderlaan
General Public
Harry Mathis, Alternate
General Public

BACKGROUND

Municipal Service Review Mandate

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency's sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission and the general public therein regarding the availability and sufficiency of governmental services relative to community needs. Municipal service reviews statutorily inform required sphere of influence updates and may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving special districts.

Current Workplan | Municipal Service Review on RCDs

San Diego LAFCO's current workplan was adopted at a noticed hearing held on May 2020 and outlines specific project goals for the fiscal year. This includes preparing an agency-specific municipal service review on the RCDs and its active service functions and related classes. The municipal service review represents the first detailed report prepared by the Commission on the three affected agencies.

Draft Report and Public Review

Staff presented a draft municipal service review on the RCDs for discussion and feedback at San Diego LAFCO's December 7, 2020 meeting. The presentation included an overview by staff on the draft's key conclusions and recommendations and immediately preceded the initiation of a 45-day public review and comment period through February 1st. Notice of the public review was provided to the RCDs and interested parties. The notice was also published in several local newspapers and posted on the LAFCO website.[1] Written comments received on the draft report as of the date of this agenda item (January 22nd) follow:

- Joint-Letters dated November 20, 2020 and January 20, 2021 from the San Diego County Water Authority, Fallbrook Public Utility District, Rainbow Municipal Water District, Rincon Municipal Water District, and Valley Center Municipal Water District.
- Letter dated December 3, 2020 from the Farm Bureau of San Diego County.
- Letter dated December 4, 2020 from the San Luis Rey Indian Water Authority.
- Letter dated December 17, 2020 from the Upper San Luis Rey RCD.
- Letter dated January 8, 2021 from the RCD of Greater San Diego County.

[1] Notice of the public review and February 1st hearing was published in the following newspaper: San Diego Union Tribune.

- Letters dated January 22, 2021 from the California Association of Resource Conservation Districts.

All written comments listed above have been included as an appendix to the final report before the Commission and – as appropriate – incorporated into the document itself. Any additional written comments received through the February 1st deadline will also be added to the appendix and – as directed by the Commission – addressed in the document.

DISCUSSION

This item is for San Diego LAFCO to complete its scheduled municipal service review on the RCDs. This includes accepting a final report prepared by staff and highlighted by an Executive Summary outlining key conclusions and recommendations. This also includes adopting a resolution memorializing the municipal service review and approving an abbreviated version of the written determinations included in the final report and addressing all the factors required for Commission consideration under statute.

ANALYSIS

The final municipal service review on RCDs before San Diego LAFCO remains substantively intact with the notable addition of a new recommendation for the Commission to prepare an addendum to address Upper San Luis Rey RCD's authorization in LAFCO statute to provide groundwater management. This new recommendation responds to written comments received during the public review process and ties directly to addressing Upper San Luis Rey RCD's current involvement in the Pauma Valley Groundwater Sustainable Agency. All other key conclusions and recommendations presented in the draft and outlined in the Executive Summary (Chapter Two) remain. Other revisions in the final report are minor and reflect clarifications and/or technical corrections sourced to comments.

RECOMMENDATION

It is recommended San Diego LAFCO proceed to formally accept the final report on the municipal service review on RCDs and adopt a resolution approving the associated determinations addressing all factors required under statute. This recommendation is consistent with Alternative One as outlined in the succeeding section.

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 report provided as Attachment One representing the scheduled municipal service review on RCDs.

b) Adopt the attached resolution provided as Attachment Two making the requisite determinations as required under statute as part of the scheduled municipal service review on RCDs.

Alternative Two:
Continue the item and request additional information from staff as needed.

PROCEDURES

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

1) Receive verbal presentation from staff unless waived.
2) Initial questions or clarifications from the Commission.
3) Open the hearing and invite comments in the following order:
   - representatives from the RCDs
   - other interested parties and the general public
4) Discuss item and consider the staff recommendation.

On behalf of the Executive Officer,

Linda Heckenkamp

Linda Heckenkamp
Analyst II

Attachments:

1) Final Municipal Service Review on RCD
2) Resolution Making Determinations

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



RESOURCE CONSERVATION DISTRICTS

Municipal Service Review | Government Code 56430

Affected Agencies
Mission Resource Conservation District
Resource Conservation District of Greater San Diego County
Upper San Luis Rey Resource Conservation District

Final Report | February 2021

Project Manager
Linda Heckenkamp
Local Government Analyst II

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ACKNOWLEDGEMENT

San Diego County LAFCO gratefully acknowledges the time and effort of officials with the Mission Resource Conservation District, Resource Conservation District of Greater San Diego County, and Upper San Luis Rey Resource Conservation District in assisting in the preparation of this report. This includes special consideration for Darcy Cook (Mission), Sheryl Landrum (Greater San Diego), and Amy Reeh (Upper San Luis Rey) for serving as direct contacts and generating information responses incorporated into the analysis of resource conservation district services in San Diego County.

San Diego LAFCO also acknowledges the unique circumstances underlying the preparation of this report and participation therein by the affected agencies and stakeholders given the parallel impact of the COVID-19 pandemic.

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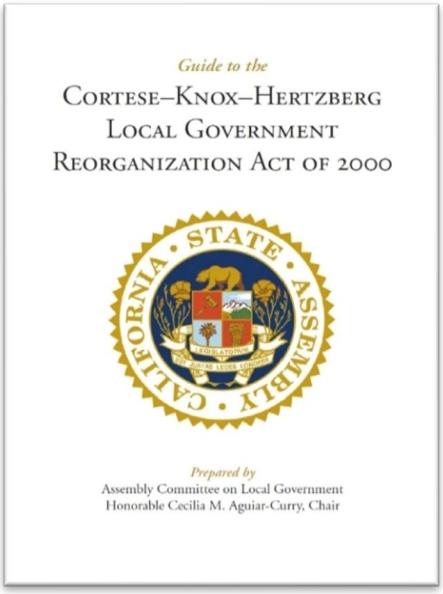
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CHAPTER ONE | INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives



Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.[1] LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are referred to as the Legislature's "watchdog" for local governance issues.[2]

Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities outlined under Government Code (G.C.) Section 56301. This statute reads:

> *"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions. One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."*

[1] Reference California Government Code Section 56000 et. seq.
[2] In its ruling on City of Ceres v. City of Modesto, the 5th District Court of Appeals referred to LAFCOs as the "watchdog" of the Legislature to "guard against the wasteful duplication of services." (July 1969)

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly control land uses.

1.2 Regulatory Responsibilities

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and special districts in California with limited exceptions.

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.[3] LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

1.3 Planning Responsibilities

LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to community needs.

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

[3] CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions as footnoted.[4] Further, an increasingly important role involving sphere determinations relate to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns.

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineates where cities, towns, or districts may seek future annexations or outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

Starting January 1, 2008, LAFCOs must review and update all local agencies' spheres every five years. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities. The five mandated planning factors are summarized in short-form below.

1. Present and planned land uses in the area, including agricultural and open-space.

2. Present and probable need for public facilities and services in the area.

3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

4. Existence of any social or economic communities of interest in the area.

5. If the city or special district provides water, sewer, or fire, the need for those services in any disadvantaged unincorporated communities in the existing sphere.

[4] Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies' spheres include annexations of State correctional facilities or annexations to cities/towns involving city/town owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH's enactment in 2001 and represent comprehensive studies of the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor's Office of Planning and Research in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized below in short-form with additional details footnoted.[5]

Municipal service reviews fulfill the Legislature's interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

1. Growth and population projections for the affected area.

2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.

4. Financial ability of agencies to provide services.

5. Status and opportunities for shared facilities.

[5] Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of "disadvantaged unincorporated community" is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the *statewide* annual median household income; the latter amount currently totaling $53,735 (emphasis added).

6. Accountability for community service needs, including structure and operational efficiencies.

7. Matters relating to effective or efficient service delivery as required by policy.

1.4 LAFCO Decision-Making

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their appointing authorities.

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members 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. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

1.5 Prescriptive Funding

CKH prescribes local agencies fully fund LAFCOs' annual operating costs. Counties are generally responsible for funding one-third of LAFCO's annual operating costs with remainder one-third portions allocated to the cities/towns and independent special districts. The allocations to cities/towns and special districts are calculated based on standard formula using general tax revenues unless an alternative method has been approved by a majority of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

The majority of San Diego LAFCO's ("Commission") existing policies and procedures were initially established in the 1970s and subsequently updated in the 2000s in step with the enactment of CKH. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with sufficient discretion to address local conditions and circumstances. This includes overarching policies and procedures to align present and planned urban uses with existing cities and special districts and discourage proposals that would convert prime agricultural and open-space lands unless otherwise orderly relative to community needs and or sufficiently mitigated. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals.

2.2 Commission Information

San Diego LAFCO holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 9:00 A.M. Agenda materials are posted online generally no less than one week in advance of a regular meeting. The current Commissioner roster follows.

San Diego LAFCO Membership
Current as of January 20,2021

Commissioner	Appointing Authority	Affiliation
Chair Andy Vanderlaan	Commission	Representative of the Public
Vice Chair Jim Desmond	Board of Supervisors	County of San Diego
Chris Cate	City of San Diego Council	City of San Diego
Jo MacKenzie	Independent Special Districts	Vista Irrigation District
Mary Casillas Salas	Cities Selection Committee	City of Chula Vista
Nora Vargas	Board of Supervisors	County of San Diego
Bill Wells	Cities Selection Committee	City of El Cajon
Baron "Barry" Willis	Independent Special Districts	Alpine Fire Protection District
Joel Anderson, Alternate	Board of Supervisors	County of San Diego
Erin Lump, Alternate	Independent Special Districts	Rincon del Diablo Municipal Water District
Harry Mathis, Alternate	Commission	Representative of the Public
Paul McNamara, Alternate	Cities Selection Committee	City of Escondido
Marni von Wilpert, Alternate	City of San Diego Council	City of San Diego

Immediate Past Members in 2020:
Dianne Jacob, County of San Diego
Mark Kersey, City of San Diego
Greg Cox, County of San Diego (alt)

2.3 Contact Information

San Diego LAFCO's administrative office is located within the County of San Diego's Operations Center at 9335 Hazard Way in San Diego (Kearny Mesa). Visitor parking is available. Appointments to discuss proposals or other matters are encouraged and can be scheduled by calling 858.614.7755. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO's programs and activities is also online by visiting www.sdlafco.org.

Thank you.



Keene Simonds
Executive Officer

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CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review on resource conservation districts (RCDs) in San Diego County. The report has been prepared by staff and consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of the level and range of services provided by the three authorized public agencies under LAFCO oversight operating in San Diego County – Mission RCD, RCD of Greater San Diego County, and Upper San Luis Rey RCD. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

> The purpose of the report is to produce an independent "snapshot" of the level and range of services provided by all three RCDs operating in San Diego County – Mission, Greater San Diego County, and Upper San Luis Rey – relative to informing future LAFCO decision-making.

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program on RCDs in San Diego County. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks therein approximately every five years consistent with the timetable set by the Legislature and memorialized under adopted policy. This will also allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Key assumptions and benchmarks affecting scope and content in this report follow.

Looking Back | Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission's analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2015 to 2019 with limited exceptions. This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e. data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward | Setting the Report's Timeframe

The timeframe for the report has been oriented to cover the next five-year period through 2024 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews under G.C. Section 56430 and expected therein to inform all related sphere of influence and boundary actions undertaken during this period involving any of the affected agencies unless otherwise merited.

Calculating Population Estimates and Projections

Past and current residential population estimates in the report draw on data generated by Esri and their own mapping analyses of census tracts. This approach differs from past Commission practice to utilize estimates by the San Diego Association of Governments or SANDAG and done so given – and among other factors – the ability of Esri's mapping software to readily sync with special district boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend in each service area over the last 60 months with limited exceptions; i.e. population growth over the last five years is generally expected to hold over the next five years.

Emphasis on Qualifying Service Levels

The report emphasizes qualifying RCD service levels and marked by describing active functions and central characteristics. This approach deviates from standard municipal service review practice and reflects the unique role of RCDs in providing services that are increasingly focused on education and information as opposed to transactional – such as water, wastewater, and fire protection – where quantification is more readily available.

Benchmarking Fiscal Standing: Focus on Averages and Trends

Several diagnostic tools are used to assess and make related determinations on the RCDs' financial standing based on a review of available audited information during the report period, fiscal years 2015 to 2019. This includes an emphasis on analyzing days' cash, debt-to-net assets, and total margin with deference on overall averages and trends. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin while controlling against one-year outliers.

Focusing on Macro-Level Determinations

The report focuses on the RCDs' program-level activities during the five-year report period and broader and cumulative policy considerations. This approach informs macro-level

determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis – including transition to more quantitative analysis –as part of addendums or future municipal service reviews.

2.0 STUDY ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.[6] This includes addressing the mandatory factors required for consideration by the Legislature anytime San Diego LAFCO performs a municipal service review. The Executive Summary is proceeded by individual agency profiles (Chapter Three) of all three active RCDs operating in San Diego County. The profiles transition between general descriptions of the background and development of these agencies' service areas to addressing specific agency service functions.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review includes all of San Diego County and covers 4,027 square miles or 2.58 million acres. This designation captures all three RCDs' – Mission, Greater San Diego County, and Upper San Luis Rey – jurisdictional boundaries and spheres of influence and illustrated below.

Quick Facts

RCDs Date Back to Late 1930s

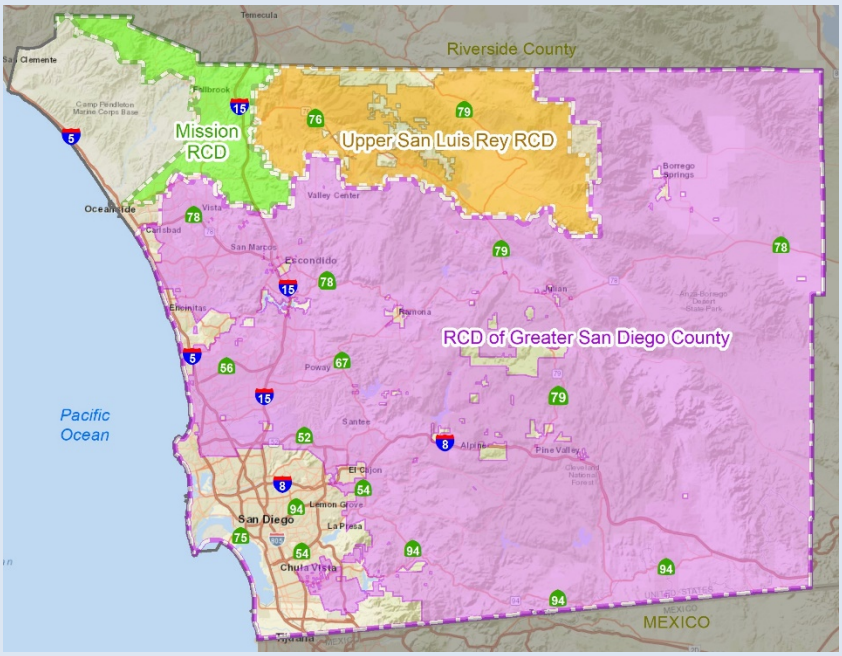
Response to "Dust Bowl"

217 RCDs in California

3 RCDs in San Diego County

Non-Regulatory Powers

Focus on Managing Land



[6] The Executive Summary distinguishes between "conclusions," "determinations," and "recommendations." Conclusions are general policy takeaways. Determinations address specific legislative factors. Recommendations address actions drawn from the determinations.

4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

RCDs – originally known as Soil Conservation Districts – first emerged in California in the late 1930s and memorialized the State Legislature's interest to empower local landowners to proactively remedy soil erosion by water, wind, and other sources. RCDs' enabling legislation followed the Federal government's lead and the Soil Conservation Act of 1935, which responded to the "Dust Bowl" and created the Natural Resources Conservation Services to partner with states and local agencies to protect against soil erosion and loss of farmland. California's legislation, notably, initially focused RCDs in creating a local property tax base to supplement work by the Natural Resources Conservation Services through community engagement and technical expertise.[7] Subsequent legislation through the early 1970s reoriented RCDs as stand-alone agencies with an expanded focus to also include wildlife.

An initial round of RCD formations in San Diego County started in the early 1940s with additional formations continuing through the 1960s. At the height, there were 15 RCDs operating throughout San Diego County. New restrictions in raising tax revenues tied to Proposition 13 coupled with land use changes beginning in the 1970s led to a course reverse and a trend in consolidations through the 1990s as smaller RCDs (Borrego, Julian, Lakeside, Penasquitos, Valley Center, etc.) folded into larger RCDs with greater economies of scale.[8] Changes in land uses, pertinently, involved a significant expansion of urban development in step with San Diego County's population more than doubling between 1970 and 2000 from 1.357 million to 2.815 million; a difference translating to the average net addition of 135 new residents in San Diego County each day over a 30-year period.[9] The substantive result was the methodical drawn-down in RCDs to the remaining three in operation today along with the realignment of service activities to be largely guided by available grant funding.

A review of the three RCDs operating in San Diego County relative to San Diego LAFCO's growth management tasks and interests as prescribed under statute produces eight central themes or conclusions. These conclusions are in linear order and collectively address the availability, demand, and performance of RCD services as well as challenges and opportunities proceeding forward. The conclusions are independently drawn and sourced to information collected and analyzed between 2015 and 2019 and detailed in the agency profiles.

[7] The first field office in San Diego County for the Natural Resource Conservation Services was established in 1941 in Escondido.
[8] Proposition 13 was approved by voters in June 1978 and capped property tax rates at 1% at the time of acquisition. This provision created a property tax ceiling and replaced the prior ability of counties, cities, and special district to set their own tax rate and irrespective of cumulative impacts on property owners. Proposition 13 also requires two-thirds approval from voters for local government to establish special taxes/assessments.
[9] For comparison, San Diego County's overall population increased from 2.815 million in 2000 to 3.345 million in 2020 and translates an average day addition of 73 residents over the 20-year period.

- **No. 1 | Introductory Municipal Service Review**
  This report marks San Diego LAFCO's first municipal service review on RCDs in San Diego County and in doing so serves as a substantive new introduction of the Commission to all three affected agencies. Marking this introduction is addressing relatively new LAFCO statutes and responsibilities to the affected agencies in real-time while proceeding with an otherwise unfamiliar and relatively detailed service review process. Similarly, this introduction for the Commission reorients this municipal service review to focus on establishing baseline information for all three affected agencies with the intention of expanding the analysis – and specifically providing more quantitative measurements – in future municipal service reviews.

- **No. 2 | And Then There Were Three**
  Over the last 40 years the number of RCDs in San Diego County have gradually decreased from 15 to the three – Mission, Greater San Diego County, and Upper San Luis Rey – remain today. This draw-down reflects a statewide trend and follows multiple consolidations where smaller RCDs have voluntarily folded into larger RCDs. The underlying attributes to the draw-down involve restrictions in generating new tax revenues paired with changes in land uses and expansion of the urban footprint.

- **No. 3 | Outdated Principal Act**
  RCDs' principal act has remained largely unchanged since the 1970s and has become increasingly antiquated in aligning service powers with current resource conservation practices and needs. The principal act – relatedly and pertinently – has also fallen out of step with LAFCOs' oversight role of RCDs and highlighted by creating ambiguity in the Commission's task in statute to establish and regulate functions and classes of services. The cumulative effect of the principal act's antiquation are higher levels of local discretion needing to be exercised by the affected agencies as well as the Commission that may or may not sync with legislative expectations.

- **No. 4 | Influence of Grant Funding**
  RCDs represent a unique outlier among special districts given their funding status and dependency on outside grants fall outside the traditional criteria of operating either as an enterprise (direct fees for services) or non-enterprise (tax supported) agency. Alternatively, and as illustrated locally, the three RCDs in San Diego County operate more similarly to non-profit organizations with grants more so than other factors guiding decision-making in delivering municipal services. This dynamic also further illuminates the antiquation of the RCD principal act given the nature of grant funding to address current interests and needs and increasingly prompts the affected agencies

– and more specifically Mission RCD and RCD of Greater San Diego County – to take on service programs beyond the clear and/or explicit provision in statute.

- **No. 5 | RCD Services Need to Reflect Boundaries**
  Two of the three affected agencies – Mission RCD and RCD of Greater San Diego County – have invested significant resources in providing services outside their jurisdictional boundaries without having received approval from San Diego LAFCO as required under statute. These irregular service activities – while premised on good intentions – diminish the function and role of jurisdictional boundaries and have contributed to conflict among the agencies. These conditions require correction and may lead to substantive changes in these agency operations and/or fiscal standing.

- **No. 6 | Expanded – and Expanding – Role for RCDs**
  The three affected agencies' formations date to a period where constituency needs were focused on receiving water and soil expertise to protect and enhance farmland with the related assumption these interests were limited to unincorporated lands. Subsequent demographic and societal changes have measurably expanded these roles to be more holistic and now connect to wildlife habit, wildfire prevention, and climate change through technical, education, and advocacy services. These benefits, pertinently, also extend into the incorporated communities and merit expansion of RCD boundaries into adjacent cities lying in shared watersheds where appropriate.

- **No. 7 | Recent Downward Fiscal Trends for Two RCDs**
  Two of the three affected agencies – Mission RCD and RCD of Greater San Diego RCD – finished the five-year report period trending negatively in standard measurements used by San Diego LAFCO in the municipal service review process. Both agencies finished with overall negative total margins over the 60-month period paired with double-digit percentage decreases in liquidity levels. These changes were most impactful Mission RCD as it finished the report period with only one month of unassigned monies in its General Fund to meet average operating costs.

- **No. 8 | Clarifying Upper San Luis Rey RCD's Role in Managing Groundwater**
  Upper San Luis Rey RCD is a member of the Pauma Valley Groundwater Sustainable Agency (GSA) along with Yuima Municipal Water District and the Pauma Valley Community Services District and responsible for developing and implementing a plan to achieve long-term groundwater sustainability in the local basis. RCD's participation began in 2017 and ties to its water conservation powers under the RCD principal act and – notably – provides the GSA complete coverage of the subbasin as required under

statute. However, and in response to stakeholder comments in preparing this report, additional review is needed to determine whether the RCD's water conservation powers were "active" at the time of joining the GSA or if the District should request and receive activation approval from LAFCO.

- **No. 9 | Purposeful LAFCO Pause**
  The introductory role of this municipal service review coupled with other noted factors – including the more immediate need to sync services and boundaries – suggest a purposeful pause is merited before proceeding with next level analyses. Most notably, this includes deferring the Commission's evaluation of shared resource opportunities, such as functional and/or political consolidations, to the next municipal service review cycle.

4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO and or one or more of the affected agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations of LAFCO action are dependent on a subsequent directive from the Commission and through the adopted workplan.

1. San Diego LAFCO affirms resource conservation functions are explicit municipal services under CKH and support – both through direct and indirect means – orderly growth and development in San Diego County. LAFCO should accordingly incorporate regular reviews of RCD functions as part of future municipal service review cycles.

2. San Diego LAFCO should collaborate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency and incorporate the information into the next scheduled municipal service review.

3. San Diego LAFCO should coordinate with all three affected agencies in developing performance measurements to help quantify capacity-demand relationships in each jurisdiction to appropriately inform future studies and/or reorganizations.

4. San Diego LAFCO should work with stakeholders and local legislators to propose a comprehensive rewrite of the RCD principal act and – among other benefits – clarify service function powers relative to current and anticipated community needs.

5. Irrespective of other efforts, San Diego LAFCO should proceed and address RCDs in the scheduled update to Rule No. 4 and the associated statutory directive for the Commission to formalize and regulate special districts' functions and classes.

6. All three affected agencies should voluntarily proceed in taking necessary corrective measures to ensure regulatory compliance with San Diego LAFCO and statutory emphasis therein to align municipal services with jurisdictional boundaries.

7. All three affected agencies are reminded to request and receive written approval or confirmation of exemption before entering contracts or agreements to provide municipal services outside their jurisdictional boundaries per G.C. Section 56133. None of the affected agencies are authorized to self-exempt under this statute.

8. San Diego LAFCO recently issued a cease and desist order to Mission RCD to terminate unauthorized out-of-agency services provided within the boundary and sphere of influence of RCD of Greater San Diego. It is unclear whether Mission RCD has complied with this order and accordingly additional action by LAFCO may be appropriate.

9. Upper San Luis Rey RCD should review the prescriptive requirements recently enacted (Assembly Bill 2257 and Senate Bill 929) and make conforming changes to their website and improve communication with constituents. Most urgently, this includes posting agendas and minutes online and in a timely manner as required under the Brown Act.

10. The County of San Diego should consider expanding their permit process to include erosion and sediment control plan reviews by applicable RCDs to enhance coordination among government agencies for the benefit of shared constituencies.

11. All three affected agencies can enhance their accountability to the public by providing video-recordings of board meetings online in step with their increasingly emphasized roles to educate and disseminate information on resource conservation best practices.

12. Notwithstanding other recommendations, San Diego LAFCO should immediately proceed with an addendum to determine if Upper San Luis Rey RCD has authority under LAFCO statute to provide water conservation and/or similar services under the principal act necessary to be a member of the Pauma Valley Subbasin GSA.

13. San Diego LAFCO should expand on the baseline information collected in this introductory municipal service review and provide a more quantified assessment of the three affected agencies services and related trends. The subsequent review

should also – markedly – dutifully explore reorganization options, including functional and/or political consolidation opportunities.

14. San Diego LAFCO should proceed and update all three affected agencies' spheres with no changes and in doing so satisfy its planning requirement under G.C. Section 56425.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this report. The underlying intent of the determinations are to provide a succinct detailing of all pertinent issues relating to the funding, administration, and delivery of public services provided by the three affected RCDs specific to the Commission's growth management role and responsibilities. An abbreviated version of these determinations will be separately prepared for Commission consideration and adoption in conjunction with receiving the final report at a noticed hearing.

These determinations detail the pertinent issues relating to the funding, administration, and delivery of the three RCDs' public services based on data collected and analyzed between 2015 and 2019.

5.1 Growth and Population Projections

1. San Diego LAFCO independently estimates there are collectively 1,580,806 total fulltime residents within the three affected agencies' jurisdictional boundaries as of the end of the five-year report period. This amount translates to nearly one out of every two residents in San Diego County reside within a RCD.

2. There is no overlap in residential populations among the three affected agencies with individual agency estimates at the end of the report period as follows:

   (a) 123,611 residents in Mission RCD.

   (b) 1,445,460 residents in RCD of Greater San Diego.

   (c) 11,735 residents in Upper San Luis Rey RCD.

3. San Diego LAFCO estimates the combined annual rate of new fulltime population growth among the three affected agencies region during the five-year report period has been 0.98% and has netted 67,975 new residents. This growth rate is one-fifth

higher than the corresponding change for all of San Diego County.

4. The annual population growth rates among the three affected agencies during the five-year report period have varied with individual agency estimates as follows:

   (a) 0.9% annual growth rate in Mission RCD.

   (b) 1.0% annual growth rate in RCD of Greater San Diego.

   (c) 0.8% annual growth rate in Upper San Luis Rey RCD.

5. The affected agencies' jurisdictional boundaries are relatively rural with an overall average of 1.0 resident for every 1.4 acres. This ratio – however – is contracting and decreased by one-tenth over the five-year report period from 1.0 resident for every 1.5 acres and reflects the changing and increasing development of the region.

6. San Diego LAFCO projects the current population growth rate within the three affected agencies will generally hold over the report timeframe. Should the projection hold, there will be a net increase within the affected agencies of 1.58 million to 1.65 million by 2024 and divided between the following individual agency changes:

   a) 4,938 new residents in Mission RCD with the overall total increasing to 128,549 by 2024.

   b) 59,574 new residents in RCD of Greater San Diego County with the overall total increasing to 1,505,034 by 2024.

   c) 469 new residents in Upper San Luis Rey RCD with the overall total increasing to 12,204 by 2024.

7. San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency and incorporate the information into the next scheduled municipal service review.

8. A review of demographics reveals one notable distinction among the three affected agencies during the five-year report period. This distinction involves median household income being substantially higher in Mission RCD at $75,375 compared to RCD of Greater San Diego County and Upper San Luis Rey RCD at $59,041 and $48,882,

respectively. All other demographics – i.e. median age, education attainment unemployment, etc. – are more or less consistent within the three agencies.

5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities.

1. All three affected agencies' jurisdictional boundaries include lands qualifying as disadvantaged unincorporated communities or DUCs under San Diego LAFCO policy. The highest ratio lies within RCD of Greater San Diego County with close to three-fifths of its jurisdictional boundary qualifying as DUCs.

2. Only Mission RCD's sphere of influence is adjacent to lands qualifying as DUCs under San Diego LAFCO policy that is not already in another RCD. The affected DUC adjacent to Mission RCD's sphere comprises Marine Corps Base Camp Pendleton.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. None of the affected agencies own or maintain substantial capital infrastructure, facilities, or equipment. The agencies instead rely largely on human resources to provide technical assistance and educational services to constituents.

2. All three affected agencies have experienced sizeable increases and/or changes in municipal service demands over the five-year report period and commonly highlighted by each agency expanding activities under their wildlife enhancement function.

3. The increasing focus on activities tied to the affected agencies' wildlife enhancement function parallels societal and political interests to broaden RCD work and expand beyond traditional water conservation and soil erosion/stabilization tasks. It also – pertinently – reflects the related influence of grants on RCD decision-making.

4. The level of information available to San Diego LAFCO at this time is limited to generating a qualified determination the three affected agencies have adequate capacities – and specifically in the form of personnel – to meet existing constituent demands.

5. Additional information and analysis by San Diego LAFCO is needed to further quantify the adequacy of the three affected agencies' capacities – infrastructure, facilities, personnel and the like – to meet current and near-term constituent demands.

6. San Diego LAFCO should proceed and expand on the baseline information collected in this introductory municipal service review and provide a more quantified assessment of the three affected agencies services and related trends.

7. As part of a future municipal service review, San Diego LAFCO should coordinate and solicit input with all three affected agencies in developing performance measurements to help quantify capacity-demand relationships in each jurisdiction.

8. With respect to Mission RCD, it currently provides four service functions under the principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These functions are primarily supported by District staff and totaled 5.0 fulltime equivalent personnel at the end of the report period.

9. With respect to RCD of Greater San Diego County, it currently provides four service functions under the principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These functions are primarily supported by District staff and totaled 18.0 equivalent personnel at the end of the report period.

10. With respect to Upper San Luis Rey RCD, it currently provides two service functions under the principal act: water conservation and wildlife enhancement. These functions are provided by contract through a part-time equivalent staffing of 0.25.

5.4 Agencies' Financial Ability to Provide Services

1. The three affected agencies operate with significantly different financial resources in providing municipal services to their constituents and as such ended the report period in dissimilar financial standings.

2. All three affected agencies are primarily reliant on external revenues sources in the form of grants and other subventions that are increasingly competitive within the region among like-minded agencies and non-profit organizations.

3. The ability of the three affected agencies to fund their municipal service functions through new assessments and taxes appears constrained given current constituent reluctance as evident by the recent trend of failed measures by local special districts.

4. The combined net position of the three affected agencies decreased by (9.4%) from $3.39 million to $3.10 million during the five-year report period.

5. With respect to Mission RCD, its net position has decreased during the five-year report period with an overall change of (22.8%) from $0.513 million to $0.396 million and produces a net loss of $0.117 million. Additional details follow.

   (a) The unrestricted portion of Mission RCD's net position decreased by (47.9%) over the five-year report period finishing with a balance of $0.128 million and equal to cover one month of typical operating expenses.

   (b) Mission RCD's liquidity levels are very low and decreasing. The amount of immediate cash available to the District decreased by (25%) during the five-year report period and equivalent to cover 26 days.

   (c) Mission RCD's capital levels are low and decreasing. The debt-to-net assets ratio increased by close to one-half during the five-year report to 54.1% with the ending tally reflecting the portion of the net position tied to long-term debt.

   (d) Mission RCD's recent margin levels are very low and decreasing. The average total margin during the five-year report period tallied (1.1%).

6. With respect to RCD of Greater San Diego County, its net position has decreased during the five-year report period with an overall change of (8.5%) from $2.6 million to $2.4 million and produces a net loss of $0.218 million. Additional details follow.

   (a) The unrestricted portion of RCD of Greater San Diego County's net position decreased by (69.6%) over the five-year report period ending with a balance of $0.474 million and equal to cover nine months of typical operating expenses.

   (b) RCD of Greater San Diego County's liquidity levels are moderately low and decreasing. The amount of immediate cash available to the District decreased by (61%) during the five-year report period and equivalent to cover 330 days.

   (c) RCD of Greater San Diego County's capital levels are high despite recent decreases. The debt-to-net asset ratio finished the five-year report period at 1.6% and reflects the bulk of the net position is free from long-term debt.

   (d) RCD of Greater San Diego County's recent margin levels are very low and decreasing. The District experienced losses in four of the five years of the report period with an average total margin of (3.1%).

7. With respect to Upper San Luis Rey RCD, its net position has increased during the five-year report period with an overall change of 17.2% from $0.295 million to $0.346 million and produces a net gain of $0.051 million. Additional details follow.

   (a) The unrestricted portion of Upper San Luis Rey RCD's net position increased by 38.5% over the five-year report period ending with a balance of $0.179 million and equal to cover 124 months of typical operating expenses.

   (b) Upper San Luis Rey's liquidity levels are exceedingly high and increasing. The amount of immediate cash available to the District increased by 47% during the five-year report period and equivalent to cover 7,475 days – or 20 years.

   (c) Upper San Luis Rey's capital levels remain unblemished with a debt-to-net asset ratio at 0% and shows the District's net position is free of long-term financing.

   (d) Upper San Luis Rey's recent margin levels are high and increasing. The District experienced gains in all five years of the report period with an average total margin of 35.8%.

5.5 Status and Opportunities for Shared Facilities and Resources

1. All three affected agencies have established responsive shared resources with other public agencies as well as non-profit organizations in fulfilling their responsibilities to provide specified municipal functions to their respective constituents.

2. All three affected agencies' activities are primarily funded by grants and leverage the agencies' respective expertise in achieving broader policy objectives set by the grantor, typically the State or other regional agency.

3. Mission RCD and RCD of Greater San Diego County dedicate considerable resources in community outreach and education to empower and inspire best practices among constituents with respect to managing natural resources.

4. The technical expertise of all three affected agencies could be further utilized by the County of San Diego and integrated into the permit process involving erosion and sediment control plans for the benefit of shared constituents.

5. Opportunities to share and/or consolidate resources all three affected agencies merit continued attention. Exploring these opportunities is consistent with San Diego

LAFCO's standing policy objective to facilitate the logical order and its role to promote efficient services.

5.6 Local Accountability and Government Restructure Options

1. All three affected agencies provide value in providing natural resource conservation functions and advantageously contribute to their communities' distinct character.

2. Mission RCD and RCD of Greater San Diego County regularly hold noticed regular meetings and actively maintain websites and in doing so provide meaningful opportunities for timely public engagement with both board and staff.

3. Opportunities for the public to meaningful engage the Upper San Luis Rey RCD and specifically the Board is deficit given the lack of holding regular meetings and limited agenda postings coupled with operating an otherwise barren website.

4. All three affected agencies can enhance their accountability to the public by providing video-recordings of board meetings online in step with their increasingly emphasized roles to educate and disseminate information on resource conservation best practices.

5. All three affected agencies operate under a principal act that has become increasingly antiquated in aligning service powers with current resource conservation practices and interests San Diego LAFCO should work with local legislators to propose a comprehensive rewrite of the RCD principal act and – among other benefits – clarify service function powers relative to current and anticipated community needs.

6. Both Mission RCD and RCD of Greater San Diego County have invested considerable resources in providing services outside their jurisdictional boundaries without receiving approval or exemption from San Diego LAFCO under G.C. Section 56133. It appears most of these non-complaint service activities can be attributed to oversight and unfamiliarity with the statute requirements but nonetheless require correction.

7. All three affected agencies should voluntarily proceed in taking necessary corrective measures to ensure regulatory compliance with San Diego LAFCO and statutory emphasis therein to align municipal services with jurisdictional boundaries.

8. San Diego LAFCO recently issued a cease and desist order to Mission RCD to terminate unauthorized out-of-agency services provided within the boundary and sphere of

influence of RCD of Greater San Diego. It is unclear whether Mission RCD has complied with this order and accordingly additional action by LAFCO may be appropriate.

9. Additional analysis is warranted to determine the status of Upper San Luis Rey RCD and its eligibility in LAFCO statute to provide groundwater management services as part of the Pauma Valley Subbasin GSA.

10. The introductory role of this municipal service review coupled with the immediate need to sync services and boundaries suggest a purposeful pause is merited for proceeding with next level analyses. This includes deferring San Diego LAFCO's evaluation of shared resource opportunities, such as functional and/or political considerations, to the next municipal service review cycle.

11. Proceeding with sphere of influence updates with no changes for all three affected agencies is merited at this time.

CHAPTER THREE | AGENCY PROFILE

A. MISSION RESOURCE CONSERVATION DISTRICT

1.0 OVERVIEW

Greater Fallbrook Region
Northbound State Route 76 | East to Woods Valley



Courtesy: Google

The Mission Resource Conservation District (RCD) is an independent special district formed in 1944 originally known as the Middle San Luis Rey Soil Conservation District. Formation proceedings were initiated by area farmers and ranchers for the broad purposes of creating a local government unit to assist landowners in implementing soil, water, and other natural resource conservation practices. Mission RCD encompasses a 185-square mile jurisdictional boundary and includes all and/or portions of several unincorporated communities in northern San Diego County and marked by Bonsall, Fallbrook, and Rainbow. The jurisdictional boundary also extends into a portion of the City of Oceanside along State Route 76. Governance is provided by a five-person board with members directly elected by geographic divisions and serve staggered four-year terms. The average tenure on the Board among the current members is six years with their longest tenured member – Scott Murray – completing his 19th year.

Mission RCD is presently organized as a multi-purpose agency with municipal functions presently tied to four active categories under its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. Mission RCD is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization. The operating budget at the term of the report period (2018-2019) was $1.75 million with 5.0 fulltime equivalent employees. The last audited financial statements cover 2018-2019 and show Mission RCD's net position totaling $0.396 million with the unrestricted portion tallying $0.128 million. This latter amount translates to covering less than one month of operating expenses based on recent actuals.

LAFCO independently estimates the fulltime resident population within Mission RCD is 123,611 as of the term of this report period and accommodated through the overall construction of 43,605 housing units within the District. It is also projected the estimate of fulltime residents represents an overall increase of 8.0% since 2010 – or 888 annually – with a resulting annual growth rate of 0.9%, which is slightly above the corresponding countywide rate of 0.8%. The

median household income within Mission RCD is $75,375 based on the current five-year period average and exceeds the countywide average of $66,529 by more than one-eighth.

2.0 BACKGROUND

2.1 Community Development

Mission RCD's service area is anchored by the unincorporated community of Fallbrook as the commercial and social center for the surrounding region, which includes – and among others – Bonsall and Rainbow. Fallbrook began its present-day development during the mid-1800s in parallel with the creation and awards of land grants or ranchos throughout California by the Mexican government. Most of Fallbrook was borne out of the Rancho Monserate grant that was issued to Ysidro Alvarado in the 1870s and led to subsequent homesteading in the area with an early focus on ranching. One of these homesteaders was Canadian immigrant Vital Reche who settled with his family just north of Alvarado's original ranch at the site now known as Live Oak Park and later credited with naming the community "Fallbrook" after their former home in Pennsylvania.

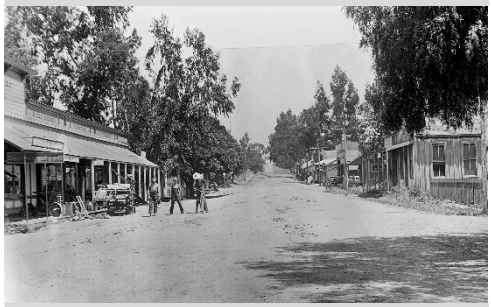
Fallbrook Schoolhouse
Circa 1880s



Courtesy: Fallbrook Chamber of Commerce

The first official census performed for Fallbrook estimated the area's population at 415 in 1890. The population increased by over one-half during the next 10 years to an estimated 656 in the 1900 census and aided by the completion of railroad line (California Pacific Railroad) connecting National City to San Bernardino with a station in Fallbrook. The railroad allowed area ranchers and farmers to begin expanding operations and cumulatively contributed to the approval of the area's first planned subdivision (West Fallbrook) along with several local serving uses in the forms of schools, churches, and basic service and supply stores. Also aiding the development of the area at the turn of the century was the formation of one of the first special districts in San Diego County – Fallbrook Irrigation District (1891) and its successor Fallbrook Public Utility District (1922) – and establishment of a community water system drawing initially from underflow from the Santa Margarita River.

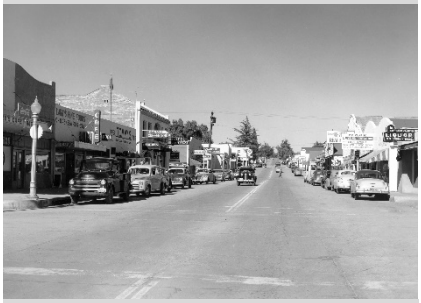
Fallbrook – Main Street
Circa 1916



Courtesy: San Diego History Center

The Fallbrook region's growth continued into the new century and premised on the expansion of agricultural activities with an early focus on olives, nuts, and citrus orchards before transitioning towards avocados and floral nurseries. Residential growth also continued in response to supporting the region's agricultural industries and Fallbrook's population reached an estimated 2,308 by 1940. It was also at this time surrounding areas in the region began to take form led by expanding agricultural interests in the nearby communities of Bonsall, Rainbow, and Valley Center.

Fallbrook – Main Street
Circa 1949



Courtesy: San Diego History Center

2.2 Formation Proceedings

The Middle San Luis Rey Soil Conservation District's (later renamed Mission RCD) formation was petitioned by landowners in early 1944 and actively supported by the Fallbrook Chamber of Commerce as well as other local business associations. The petition paralleled a statewide movement to establish local agencies to further advance soil conservation services administered by the United States Department of Agriculture and through its own Natural Resources Conservation Service offices. Formation proceedings were overseen by the County of San Diego's Boundary Commission – a precursor to the creation of LAFCOs – and approved subject to voter confirmation. An election was subsequently held in September 1944 with landowners approving the formation along with electing an initial board.

2.3 Post Formation Activities

A summary of notable activities undertaken by Mission RCD and/or affecting the District's service area following formation in 1944 is provided below.

- The Middle San Luis Rey Soil Conservation District is renamed Mission RCD in 1971 and done so according to the District to reflect a broader emphasis on the conservation of soil, water, and other natural resources.

- LAFCO establishes Mission RCD's sphere of influence in June 1986. The sphere is set conterminously with the jurisdictional boundary.

- LAFCO updates and affirms Mission RCD's sphere of influence in November 2005 with no changes.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

Mission RCD's existing boundary spans approximately 185.2 square miles and covers 118,528 acres (parcels and public rights-of-ways). The County of San Diego is the predominant land use authority for Mission RCD and overlaps 90% of the jurisdictional boundary with most of the lands included in the Fallbrook, Rainbow, Bonsall, and Pendleton-Deluz Community Plans. These unincorporated lands, notably, generally encompass commercial agricultural and low-to-moderate single-family residential uses with local supporting retail uses focused in the Fallbrook community. The remaining portion of the jurisdictional boundary is incorporated and lies in the City of Oceanside. Overall, there are currently 69,139 registered voters within Mission RCD within nearly one-half in Oceanside.

Mission RCD's jurisdictional boundary spans 185.2 square miles and covers 4.3% of all of San Diego County. Almost all of the jurisdictional boundary is unincorporated and overlaps the land use authority of the County of San Diego with the exception of 18.0 square miles within the City of Oceanside. Nonetheless, close to one-half of all District registered voters reside in Oceanside.

Mission RCD
Boundary Breakdown by Land Use Authority
Table 3.1a (Source: Esri and San Diego LAFCO)

Land Use Authority	Total Assessor Parcel Acres	% of Total Accessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of San Diego	107,056	90%	52,436	36,049
City of Oceanside	11,505	10%	19,627	33,049
TOTAL	118,561	100%	72,063	69,139

Total assessed value (land and structure) within Mission RCD is set at $17.3 billion as of January 2019 and translates to a per acre value ratio of $1.46 million. The former amount – $17.3 billion – further represents a per capita value of $0.014 million based on the estimated fulltime population in Mission RCD of 123,611. Mission RCD receives 0.0000061% of the annual 1.0% of property tax collected in the District.

Mission RCD receives $0.00000610 cents for every $1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from Mission RCD at the end of the fiscal year was $0.034 million.

The jurisdictional boundary is currently divided into 72,063 parcels spanning 113,685 acres. (The remaining jurisdictional acreage consists of public right-of-ways or waterways.) Over nine-tenths of the parcel acreage in Mission RCD is under private ownership with the majority of this amount (i.e. private property) having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage in Mission RCD's

There are 6,912 privately owned parcels within Mission RCD that remain undeveloped and span 37,119 acres; an amount that represents close to one-tenth of the entire District.

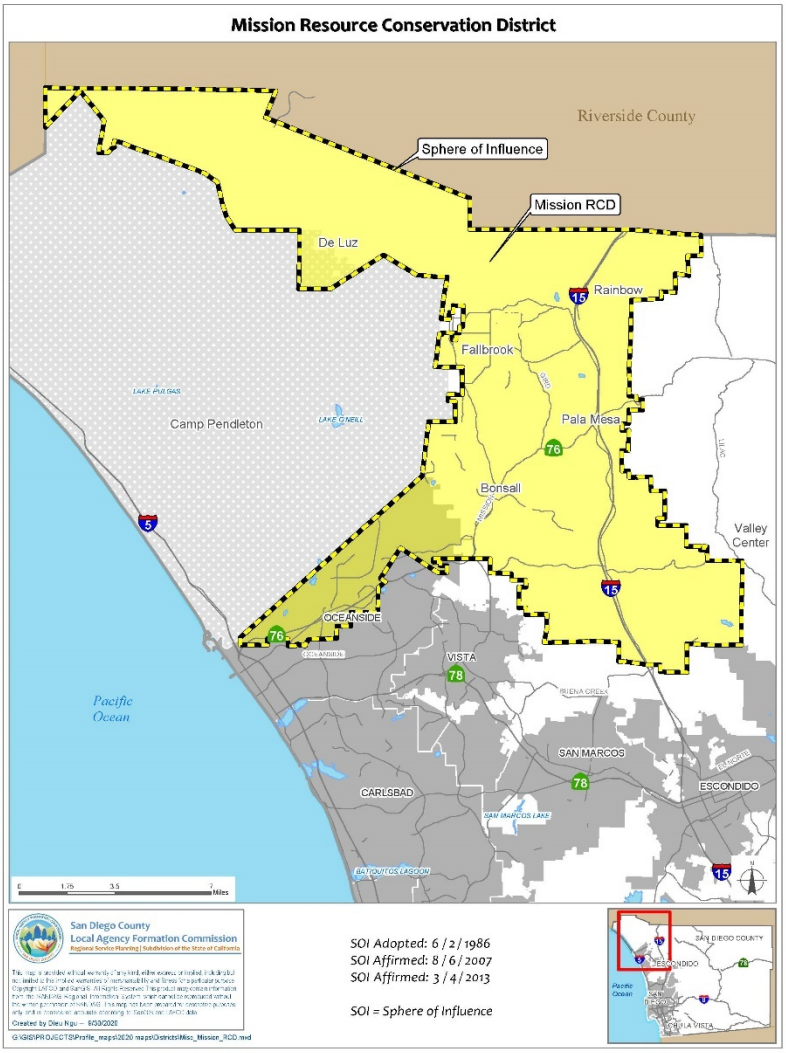
boundary is undeveloped and consists of 6,912 vacant parcels that collectively total 37,119 acres. Approximately one-tenth – or 8,609 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

3.2 Sphere of Influence

Mission RCD's sphere of influence was established by LAFCO in June 1986 and last reviewed and affirmed in March 2013. The sphere does not include any non-jurisdictional lands and is entirely coterminous with the District boundary. There are also no special study areas assigned to Mission RCD's sphere.

Mission RCD's sphere of influence is entirely coterminous with its jurisdictional boundary and reflects a standing Commission policy expectation that no changes are anticipated in the near future.

3.3 Current Boundary and Sphere Map



Quick Facts

Boundary

18.4 square miles

72,063 assessor parcels

6,912 privately owned parcels remain undeveloped

90% in unincorporated area

10% within City of Oceanside

$17.3 billion in assessed value

10% qualifies as DUC

Sphere

Established in 1986

Last updated in 2013

Coterminous with boundary

4.0 DEMOGRAPHICS

4.1 Population and Housing

Mission RCD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 123,611 as of the term of the five-year report period. This amount represents 3.7% of the countywide total. It is also estimated the fulltime population has risen overall by 8.0% from 113,844 in 2010 and the last census reset in 2010. This translates to an annual change of 0.89% and above the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue intact into the near-term and result in the fulltime population reaching 128,549 by 2024. The jurisdiction has a current population density of 1 resident for every 0.88 acres and underlies the overall rural – albeit slowly changing and intensifying – character of the service area.

It is estimated there are 123,611 fulltime residents within Mission RCD at the end of the report period. It is also projected the fulltime population will increase consistent with recent trends – or 0.89% annually – and reach 128,549 by 2024.

Mission RCD
Resident Population
Table 4.1a (Source: Esri and San Diego LAFCO)

Factor	2010	2019	2024 (projected)	Annual Change %
Mission RCD	113,844	123,611	128,549	0.89%
San Diego County	3,095,264	3,344,136	3,499,829	0.81%

There are 43,605 residential housing units within Mission RCD as of the report period term. The majority of these units are in the Fallbrook and Rainbow communities with the overall amount increasing by 2,371 – or 263 annually – since 2010. With respect to current housing characteristics, 66.7% are owner-occupied, 28.4% are renter-occupied, and the remaining 4.9% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.84 and has increased by 1.7% from 2.79% over the preceding five-year period. The mean monthly housing cost in Mission RCD has decreased by (7.39%) from $1,964.79 to $ 1,819.55 based on the most recent five-year period averages. The mean monthly housing cost, however, remains well above the countywide average of $1,578.00.

Housing production in Mission RCD totals 43,605 dwelling units as of the term of the report period. This includes the addition of 2,371 units – or 263 a year – since 2010. The average monthly housing cost in Mission RCD is $1,819, which is close to 15.3% higher than the countywide average.

Mission RCD
Housing Breakdown
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
Mission RCD	41,234	43,605	5.7%	1,964.79	1,819.55	(7.4%)
San Diego County	1,164,766	1,236,184	6.1%	$1,540	$1,578	2.5%

4.2 Age Distribution

The median age of residents in Mission RCD is 47.6 based on the current five-year period average. This amount shows the population is generally holding with the median age experiencing an overall and modest change of 3.1% from 46.2 over the preceding five-year period average. The current median age in Mission RCD remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up slightly more than one-half of the estimated total population at 50.6%.

Residents within Mission RCD tend to be significantly older with a medium age of 47.6; an amount that is more than one-fourth higher than the countywide average of 35.3. The majority – 50.7% – of the residents are also aged within the prime working group of 25-64.

Mission RCD
Resident Age Breakdown
Table 4.2a (Source: American Community Survey and San Diego LAFCO)

Service Area	2010 Median Age	2019 Median Age	Change	2010 Prime Working Age	2019 Prime Working Age	Change
Mission RCD	46.2	47.6	3.1%	51.58	50.7%	(1.7)%
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

The median household income in Mission RCD is $75,375 based on the current five-year period average. This amount shows fulltime residents are receiving slightly less pay with the median income experiencing an overall decrease of (0.32%) from the preceding five-year period average of $75,614. The current median household income in Mission RCD – nonetheless – is more than one-eighth higher than the current countywide median of $66,529. Separately, the current average rate of persons living below the poverty level in Mission RCD is 11.6% and has substantively increased by over three-fifths – or 61.2% – over the earlier five-year period and approaching the countywide rate of 14.0%.

Mission RCD residents' average median household income has experienced a slight decrease in recent years and is currently $75,375. This amount remains higher than the countywide median income $66,529. The rate of persons living below the poverty rate – however – has increased by nearly three-fifths to 11.6% and is now approaching the countywide rate of 14.0%.

Mission RCD
Resident Income Breakdown
Table 4.3a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Median HH Income	2012-2016 Median HH Income	Change	2007-2011 Poverty Rate	2012-2016 Poverty Rate	Change
Mission RCD	$75,614	$75,375	(0.32%)	7.2%	11.6%	61.2%
San Diego County	$63,857	$66,529	4.2%	13.0%	14.0%	7.7%

4.4 Socioeconomic Indicators

Close to one-third of Mission RCD residents have undergraduate degrees. The unemployment rate within Mission RCD is nearly one-half below the countywide amount.

Unemployment within Mission RCD is relatively low at 2.5% based on the current five-year period average. This amount also represents an overall and decrease of (39.6%) compared to the previous five-year average and finishes substantially below the corresponding countywide tally of 4.9%. Educational levels as measured by adults 25 or older with bachelor's degrees has slightly increased by 2.6% over the previous five-year period from 33.4% to 34.3%, but still continues to fall below the countywide rate of 36.5%. Over one-fourth – or 26.2% – of the population currently collects retirement income. The non-English speaking percentage of the population has decreased during this period from 12.5% to 10.6%; an overall difference of (15.2%).

Mission RCD
Socioeconomic Indicators Breakdown
Table 4.4a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Unemployment Rate	2012-2016 Unemployment Rate	Change	2007-2011 Non English	2012-2016 Non English	Change
Mission RCD	4.1%	2.5%	(39.6%)	12.5%	10.6%	(15.2%)
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)

5.0 ORGANIZATION

5.1 Governance

Mission RCD's governance authority is established under the Resource Conservation District Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers Mission RCD to provide a moderate range of municipal functions involving natural resource protections and improvements upon approval by LAFCO. Mission RCD is currently authorized to provide three active municipal service functions under the principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before Mission RCD would be allowed to initiate. Similarly, should Mission RCD seek to divest itself of directly

providing an active service function, it would need to receive LAFCO approval at a noticed public hearing. A list of active and latent Mission RCD service functions follows.

Active Service Functions	Latent Service Functions
Soil Erosion	Water Distribution
Water Conservation	Erosion Stabilization
Wildlife Enhancement	
Agricultural Enhancement	

Governance of Mission RCD is independently provided by a five-member Board of Directors. Each member of the Board is directly elected by registered voters or – and as needed – appointed by the County of San Diego Board of Supervisors. All Board members serve staggered four-year terms with a rotating president system. The Board's bylaws provide that they meet every third Monday at 6:30pm. Meetings are held at the Mission RCD office at 130 East Alvarado Street in Fallbrook. Directors do not receive per diems. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

Mission RCD meetings of its Board of Directors are scheduled for the third Monday each month. Directors do not receive per diems.

Mission RCD
Current Governing Board Roster
Table 5.1a (Source: Mission RCD)

Member	Board Position	Years on the Board	Background
Scott Murray	President	19	Farmer
Julia Escamilla	Secretary	5	Conservationist
George Archibald	Director	4	Businessman
Vacant	Director	-	-
Heather Conklin	Director	1	Government

5.2 Administration

Mission RCD appoints an at-will General Manager to oversee all District activities. Principal duties include preparing an annual budget, liasoning with other State and local agencies, and supervising staff and contractors. The current District Manager – Darcy Cook – was appointed in May 2020 and oversees a budgeted staff of 5.0 fulltime and 1.0 part-time employees. Mission RCD contracts for legal services with Best, Best and Kreiger (San Diego) LLP and Attorney Scott Brown (Grass Valley).

Mission RCD's Office
28246 Lilac Road



Photo Credit: Mission RCD

6.0 MUNICIPAL SERVICES

Mission RCD (Mission) is currently authorized to provide four distinct municpal service functions under its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement.[10] These service functions are provided through 5.0 fulltime equivalent employees at the end of the report period. Overall staffing levels have not changed over the corresponding 60-months and further detailed in the accompanying footnote.[11] A summary analysis of these active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

Mission RCD provides four active service functions under its principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active functions and related classes.

6.1 Soil Erosion

Mission RCD's soil erosion service function involves maintaining chemical makeup of healthy soils. Current activities focus on conducting soil surveys and developing carbon farming projects as further described below.

Soil Health Surveys

This service activity involves taking soil samples to identify type, texture, and nutrient levels. This information is subsequently analyzed by Mission RCD to determine carbon uptake and ability to reduce greenhouse gas emissions. The service activity is typically performed year-round and – among other outcomes – informs conservation activities.

Carbon Farming

This service activity involves providing technical assistance to landowners to increase organic matter contents into the soil by sequestering carbon dioxide from the atmosphere for placement into soil and vegetation. Common examples include composting applications, mulching, and other cover crops. The sequestration process supports plant photosynthesis and retention of water and nutrients in the soil and in doing so helps reduce soil erosion while also combats climate change by reducing greenhouse gas emissions. Related services include assisting landowners to apply for grants to fund individual carbon farming projects. The District also performs related educational services by operating demonstration plots at their community gardens.

[10] Mission RCD is also authorized – subject to LAFCO approval – to provide water distribution and erosion stabilization.
[11] Full time equivalent staffing levels at the start of the five-year report period was five.

Mission RCD currently has two active soil erosion related contracts:

- California Department of Food and Agriculture: Climate Smart Program
  This contract relationship began in 2018 to provide demonstration of healthy soils with testing to measure improvements in soil health. It includes demonstration of healthy soil management practices to growers in the region to reduce GHG by sequestering carbon, reduce soil salinity and water infiltration rates. Mission RCD received a $0.044 grant from the CA Department of Food and Agriculture and extends to 2020.

- California Department of Food and Agriculture: Healthy Soils Demonstration Program
  This contract relationship began in 2019 to provide demonstration of healthy soils with testing to measure improvements in soil health. It includes demonstration of healthy soil management practices to growers in the region to reduce GHG by sequestering carbon, reduce soil salinity and water infiltration rates. The current grant is for $0.073 million and extends through 2022.

6.2 Water Conservation

Mission RCD's water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on preforming irrigation audits, providing watershed education, and promoting residential and agricultural water conservation practices and further described below.

Irrigation Audits

This service activity involves capturing water consumption and potential losses to evaluate water use for landowners. This information is subsequently analyzed and corrective measures are identified to increase water efficiency and improve crop usage (vineyards, orchards, nurseries, etc.). Related technical services are also provided to landowners as requested and detailed below under "Water Conservation."

Watershed Education

This service activity involves a variety of programs and demonstrations aimed at informing opportunities to improve conditions within San Luis Rey, Santa Margarita, and Rainbow Creek Watersheds. Central examples include working with landowners, community groups, and other stakeholders to inform and facilitate stewardship activities throughout the watersheds with the collective aim of improving water quality and riparian habitats. Recent watershed education programs involved grant work with the California

Department of Conservation's Proposition 68 supporting avian monitoring (Least Bell's vireo and coastal California gnatcatcher) and fire-abatement projects.

Water Conservation

This service activity draws on information developed in water audits and involves implementation of water-saving practices. Current activities include participating in San Diego County Water Authority's Landscape Water Management Program and involves promotion and education of water efficiency practices to reduce residential and commercial water usage. This service supports residential and landscape water use surveys, evaluations and checkups, turf removal and installation of water conservation devices to reduce urban runoff and water consumption rates.

Mission RCD has current five active water conservation related contracts:

- Municipal Water District of Orange County: Irrigation Incentive Rebate Programs
  This contract relationship was established in 2017 and involves a rebate program for residential and commercial sites for turf removal and installation of water conservation devices to reduce urban runoff and water consumption rates. The current grant is for $1.2 million grant and extends through 2022.

- San Diego County Water Authority: WaterSmart Field Services Program
  This contract relationship was established in 2010 and involves residential and landscape water use surveys, evaluation, and checkup. The current grant is for $0.530 million with work extending through 2021.

- San Diego County Water Authority: Agriculture Water Management Plan
  This contract relationship was established in 1992 and involves on-farm evaluations via the Mobile Irrigation Lab to retrofit agriculture irrigation systems to increase water efficiency and crop yields. The current grant is for $0.290 million and extends to 2023.

- State Water Efficiency and Enhancement Program
  This contract relationship was established in 2015 and involves grants to implement irrigation systems to reduce greenhouse gases and conserve water on agricultural uses. Additional details on grant value is pending.

- Rancho California Water District: Crop Sustainable Water for Agriculture Production
  This contract relationship was established in YEAR and involves technical assistance

for crop conversion projects to replace existing crops with those with lower irrigation water demands. The current grant is for $0.022 million and extends to 2020.

6.3 Wildlife Enhancement

Mission RCD's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities include invasive species removal, habitat restoration, and best management practices for equestrian properties. A summary description of these service function activities follows.

Invasive Species Removal

This service activity involves mitigating against invasive (non-native) species and their negative impact on biodiversity and natural ecosystems. Removal may be performed manually by hand or heavy machinery and sometimes herbicide. Current activities include remove Arundo donax in the San Luis Rey and Santa Margarita Watersheds. The establishment of the Santa Margarita – San Luis Rey Weed Management Area (WMA) was formed in the later 1990s to provide support, coordination and funding for management of invasive non-native plants and restoration of native riparian habitat within the Santa Margarita and San Luis Rey watersheds in San Diego County.

Habitat Restoration

This service activity involves repairing ecosystems that have been degraded or destroyed especially along riparian habitats. Current activities include restoration and conservation of natural resources in the Santa Margarita and San Luis Rey watersheds as well as establishing an avian monitoring of Least Bell's vireo and coastal California gnatcatcher.

Equestrian Properties Best Management Practices (BMPs)

This service activity involves how to properly set up and manage horse properties in ways that maximize sustainability and promote healthy and thriving lands by limiting soil degradation and sedimentation. Notably, this includes properly storing and disposing of horse manure for multiple reuse purposes.

Mission RCD currently has two active wildlife enhancement focused contracts:

- Vista United School District: Endowment Agreement for Arundo Management
  This contract relationship was established in 2006 and involves long-term eradication

and retreatment of the invasive Arundo donax (Giant Reed) and maintenance of native plants on the Vista High School property. The current grant is for $0.024 million and extends to 2022.

- California Wildlife Conservation Board: Riparian Restoration Field Services
  This contract relationship was established in 2017 and involves riparian restoration field services for invasive Arundo detection and control in the San Luis Rey Watershed and San Juan Creek. The current grant is for $1.8 million and extends to 2021.

6.4 Agricultural Enhancement

Mission RCD's agricultural enhancement service function involves supporting healthy and sustainable crop and livestock production. Current activities focus on agricultural sustainability as described below.

Agricultural Sustainability

This service activity involves an integrated system of plant and animal production practices having a site-specific application that will over the long-term satisfy human food and fiber needs. Additional details on related activities is pending.

Mission RCD has one active agriculture enhancement focused contract:

- Natural Resources Conservation Service: Regional Conservation Partnership Program
  The 2018 Farm Bill created a stand-alone in coordination with the to provide financial and technical assistance to growers for implementation of agricultural sustainability and conservation practices on working lands. The current grant is for $0.002 million grant and extends to 2021.

7.0 FINANCES

7.1 Financial Statements

Mission RCD contracts with an outside accounting consultant to prepare an annual report reviewing the District's financial statements in accordance with established governmental accounting standards. This includes auditing Mission RCD's statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Mission RCD's short and long-term fiscal health with specific focus on delivering its active municipal service functions: soil control and improvement; water

conservation; wildlife enhancement; and agricultural enhancement. The current outside consultant retained by Mission RCD is Nigro & Nigro, PC (Murrieta).

Mission RCD's most recent audited financial statements for the five-year report period were issued for 2018-2019.[12] These statements show Mission RCD experienced a moderate and positive change over the prior fiscal year as the District's overall net position (accrual basis) increased by 6.5% from $0.370 million to $0.396 million. Underlying this change in net position is an increase in capital assets during the fiscal year. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	$1,031,358
Liabilities	$635,377
Outflow/Inflow	$0
Net Position	$395,981

Agency Assets

Mission RCD's audited assets at the end of 2018-2019 totaled $1.031 million and is 2.2% higher than the average year-end amount of $1.008 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented more than one-half of the total amount – or $0.596 million – and primarily tied to contracts receivable (e.g. grants). Assets classified as non-current make up the remaining total – or $0.436 million and entirely categorized as capital assets with more than one-half labeled as "improvements."[13] Overall assets for Mission RCD have increased by 11.7% over the corresponding 60-month period.

Mission RCD's assets have increased by one-tenth – or 11.7% – during the report period. The overall increase is directly attributed to increases in capital assets from $0.079 to $0.435 million over the 60-month period and marked by the purchase of a new administrative office in Fallbrook.

Mission RCD
Audited Assets
Table 7.1a | Source: Mission RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	844,299	754,557	574,187	934,892	595,854	(29.4%)	740,758
Non-Current	79,266	220,284	223,386	379,763	435,504	449.4%	267,641
Total	$923,565	$974,841	$797,573	$1314655	$1,031,358	11.7%	$1,008,398

[12] The audit for 2018-2019 was issued by Nigro & Nigro, PC on June 30, 2019.
[13] The District provided "improvements" is defined as the purchase of the office building.

Agency Liabilities

Mission RCD's audited liabilities at the end of 2018-2019 totaled $0.635 million and finished 17.6% higher than the average year-end amount of $0.540 million documented during the five-year report period. One-third of all liabilities finished the report period categorized as current and represent obligations owed within the year with most involving contract obligations. Overall liabilities for Mission RCD increased by 54.7% over the corresponding 60-month period.

Mission RCD's liabilities increased by more than one-half – or 54.7% – during the report period from $0.411 to $0.635 million. The increase is largely attributed to debt payments associated with purchase of its administrative office in Fallbrook.

Mission RCD
Audited Liabilities
Table 7.1b | Source: Valley Center CSD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	221,004	229,896	100,498	718,039	421,212	90.6	338,130
Non-Current	189,749	189,749	189,749	226,517	214,165	12.9%	201,986
Total	$410,753	$419,645	$290,247	$944,556	$635,377	54.7%	$ 540,116

Net Position

Mission RCD's audited net position or equity at the end of 2018-2019 totaled $0.396 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (15.4%) lower than the average year-end sum of $0.468 million documented during the five-year report period. More than one-half of the ending net position – or $0.209 million – is tied to capital assets with most of the remainder categorized as unrestricted. Overall the net position for Mission RCD has decreased by (22.8%) over the corresponding 60-month period.

Mission RCD's net position is trending negatively during the report period with overall losses. The net position has decreased overall from $0.513 to $0.396 million; a difference of (22.8%).

Mission RCD
Audited Net Position
Table 7.1c | Source: Mission RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	79,266	220,284	223,386	143,867	208,987	163.7%	175,158
Restricted	187,991	187,633	187,104	-	59,009	-68.6%	124,347
Unrestricted	245,555	147,279	96,836	226,232	127,985	(47.9)	168,777
Total	$512,812	$555,196	$507,326	$370,099	$395,981	(22.8%)	$468,283

Mission RCD maintains one active governmental fund account – General – in support of its net position. The unassigned portion of the General Fund totaled $0.128 million (modified accrual basis) as of the last audited fiscal year and represents the available and spendable portion of Mission RCD's fund balance. The unassigned amount represents less than one month of operating expenses based on actuals in 2018-2019.[14]

Mission RCD's unassigned balance within its General Fund at the end of the report period totaled $0.128 million and has decreased overall by (47.9%). The end balance is sufficient to cover no more than one month of operating expenses.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO's review of the audited financial statement issuances by Mission RCD covering the five-year report period shows the District experienced significant diminishment in all standard measurement categories – liquidity, capital, margin, and structure – utilized in this document as summarized below and reflected in the proceeding table.

Standard measurements used to assess Mission RCD's financial standing shows the District finished the report period with trending negatively in all categories. Most notably, this includes an average total margin of (1.1%) during the corresponding 60-month period.

- Mission RCD's liquidity levels are low and decreasing. The current ratio decreased by nearly two-thirds – or (63.0%) – during the report period from 3.8 to 1.4 with the ending amount reflecting sixty cents out of every $1.00 available to the District is needed to cover an existing/immediate expense. The District's days' cash levels, similarly, decreased by (24.7%) and finished the report period at 26 days.

- Mission RCD's capital levels are low and decreasing. The debt-to-net assets ratio increased by almost one-half during the report period from 37.0% to 54.1% with the ending amount reflects more than one-half of the net position is tied to long-term financing and reduces the District's ability to secure outside capital. Moreover, the District's debt ratio increased during the period from 44.5% to 61.6%.

- Mission RCD's margin levels are very low and decreasing. The average total margin – the bottom line with respect to comparing revenues to expenses – during the period tallied (1.1%).

[14] Actual operating expenses in 2018-2019 totaled $1.722 million and produces a monthly average cost of $0.143 million.

Mission RCD
Financial Measurements
Table 7.2a | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	3.8 to 1	99.2	44.5%	37.0%	4.2%	6.2%	19.6%	15.6
2015-2016	3.3 to 1	73.4	43.1%	34.2%	3.3%	3.3%	11.7%	29.5
2016-2017	5.7 to 1	92.4	36.4%	37.4%	(6.0%)	(6.0%)	11.5%	35.4
2017-2018	1.3 to 1	257.1	71.9%	61.2%	(13.7%)	(13.7%)	19.4%	42.5
2018-2019	1.4	74.7	61.6%	54.1%	1.48%	1.48%	7.4%	26.4
Average	3.1 to 1	119.3	51.5%	66.3%	(1.1%)	(1.1%)	13.9%	29.9
Trend	(63.0%)	(24.7%)	38.5%	179.1%	(64.4%)	(64.4%)	(62.0%)	69.1%

Current Ratio (Liquidity)
Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)
Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)
Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)
Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)
Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)
Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)
Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)
Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

Mission RCD does not have recorded pension obligations.

B. RESOURCE CONSERVATION DISTRICT OF GREATER SAN DIEGO COUNTY

1.0 OVERVIEW

Mt. Helix Towards Jamul
Northbound State Route 6 | East to Woods Valley



Courtesy: Google

The Resource Conservation District (RCD) of Greater San Diego County is an independent special district formed in 1995. Formation followed the voluntary consolidation of the Greater Mountain Empire and Central San Diego County RCDs, which were separately biproducts of earlier consolidations involving eight RCDs with initial formations dating back to 1941 in the El Cajon and Valley Center regions. RCD of Greater SD County encompasses a 2,889-square mile jurisdictional boundary and includes two-thirds of all San Diego County. Most of the jurisdictional boundary – approximately 87% – comprises the unincorporated area and marked by the communities of Borrego Springs, Lakeside, Julian, Otay, Ramona, and Valley Center. The remainder of the jurisdictional boundary includes all or portions of the Cities of Carlsbad, Del Mar, El Cajon, Encinitas, Escondido, National City, Poway, San Marcos, Solana Beach, San Diego, Santee, and Vista. These latter lands, notably, are in the jurisdictional boundary as a result of having been added to one of the eight original RCDs prior to being annexed or incorporated into cities. Governance is provided by a seven-person board with members directly elected by geographic divisions or appointed by the Board of Supervisors in lieu of candidate filings. All members serve staggered four-year terms. The average tenure on the Board among the current members is five years with the longest tenured member – Marilyn Huntamer – completing her ninth year.

RCD of Greater San Diego County is presently organized as a multi-purpose agency with municipal services currently tied to four active categories under its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. RCD of Greater San Diego County is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization. The operating budget at the term of the report period (2018-2019) was $1.016 million and accommodated 18.0 fulltime equivalent employees. The last audited financial statements cover 2018-2019 and show RCD of Greater San Diego County's net position totaling $2.362 million with the unrestricted portion tallying $0.474 million. This latter amount translates to covering eight plus months of operating expenses based on recent actuals.

LAFCO independently estimates the fulltime resident population within RCD of Greater San Diego County is 1,445,460 as of the term of this report period and accommodated through the overall construction of 517,652 housing units in the District. Close to two-thirds of all District residents now reside in incorporated areas. It is also projected the estimate of fulltime residents represents an overall increase of 15.4% since 2010 – or 13,930 annually – with a resulting annual growth rate of 0.99%, which is moderately above the corresponding countywide rate of 0.81%. The median household income in the District is $59,041 based on the current five-year period average and one-tenth below the countywide average of $66,529.

2.0 BACKGROUND

2.1 Community Development

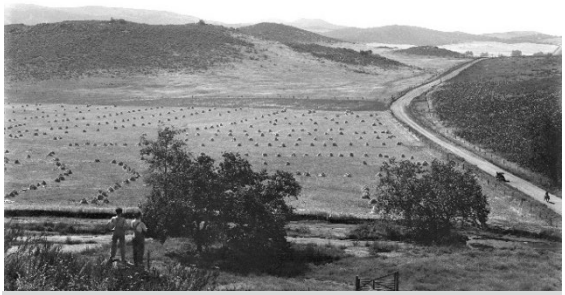
View of Presidio Hill
Circa 1887



Courtesy: San Diego County History Center (Pending)

RCD of Greater San Diego County's service area covers seven-eighths of San Diego County and began its present-day development as a Spanish settlement with the founding of the San Diego Presidio and Mission San Diego de Alcalá by Spanish soldiers and clerics in 1769. Jurisdiction over the service area transitioned from Spain to Mexico in 1821 and later to the United States in 1848 as a result of the Treaty of Guadalupe Hidalgo, which ended the Mexican–American War. Statehood in 1850 paralleled San Diego County's establishment as one of California's original 27 counties and initially included most of present-day Riverside County and all present-day Imperial County before their detachments by the Legislature in 1893 and 1907, respectively.

Jamul Ranch
Circa 1910s



Courtesy: San Diego County History Center

The first census performed estimated the overall population of San Diego County at 798 in 1850. The population increased to 35,090 in 1900 with nearly two thirds – or 22,479 – lying within the five incorporated communities at the time (Coronado, Escondido, National City, Oceanside, and San Diego). The remaining one-third of the centurion population – or 12,611 – was spread out among two dozen plus unincorporated communities. This included close to 7,500 living in the present-day RCD of Greater San Diego County with notable unincorporated communities beginning to

develop in Alpine, Campo, Capitan Grande (Lakeside), Jamul, Otay, and Valley Center and predominantly consisting of agrarian and ranching uses.

The development of local water supplies coupled with improvements in transportation and the ability of farmers to bring products more directly to market led to intensification in commercial agricultural activities in unincorporated San Diego County by the 1930s. Prominent crops at the time were lemons, eggs, milk/cream, oranges, and beef cattle.[15] The intensification in agricultural activities in San Diego County relatedly led to the opening of the first local field office of the Natural Resources Conservation Services (NRCS) in Escondido in 1940 to assist farmers with developing effective soil management practices consistent with the newly created federal agency's tasks following the Dust Bowl experience a decade earlier.

Establishment of NRCS in San Diego County preceded the coordinated formation of several RCDs to partner in organizing soil management activities while providing funding through a modest portion of local property taxes. This included formation of several within the present-day service area of RCD of Greater San Diego County beginning in 1941 with the Valley Center and El Cajon-Lakeside RCDs (then Soil Conservation Service Districts). A listing of all RCDs subsequently formed in the service area and associated consolidations follows.[16]

- Valley Center RCD in 1941
  - Later consolidated into Palomar RCD in 1975

- El Cajon-Lakeside RCD in 1941
  - Later consolidated into Palomar RCD in 1968

- Mountain Empire RCD in 1942
  - Later consolidated into the Greater Mountain Empire RCD in 1961

- Ramona-Julian RCD in 1942
  - Later consolidated into RCD on Central San Diego County in 1980
  - Escondido-San Marcos RCD (date unknown)

- Penasquitos RCD (date unknown)
  - Later consolidated into Palomar RCD in 1976

[15] Reference to San Diego County's Annual Agriculture Report, 1938.
[16] Soil Conservation Services changes its name to Resource Conservation District in 1971 and expands is resource conservation to included habitat loss, invasive species removal, water and air quality.

- Borrego Valley RCD (date unknown)
  - Later consolidated into Ramona-Julian RCD in 1976

- Agua Buena RCD (date unknown)

- Greater Mountain Empire RCD in 1961
  - Consolidation of El Cajon-Lakeside and Mountain Empire RCDs
  - Later consolidated into RCD of Greater San Diego County in 1995

- Palomar RCD in 1968
  - Consolidation of Escondido-San Marcos and Agua Buena RCDs
  - Later consolidated into RCD of Central San Diego County in 1980

- RCD of Central San Diego County in 1980
  - Consolidation of Palomar and Ramona-Julian RCDs
  - Later consolidated into RCD of Greater San Diego in 1995

2.2 Formation Proceedings

RCD of Greater San Diego County's formation was proposed in 1994 as successor agency to the concurrent consolidation of Central San Diego County RCD and Greater Mountain Empire RCD. The proposal was jointly filed by the two RCDs and done so to establish long-term economies of scale for RCDs in the affected territory while immediately remedying Greater Mountain Empire's precarious financial condition. LAFCO approved the concurrent consolidation and formation in February 1995. Protest proceedings did not generate sufficient objections and the formation was finalized in May 1995 with the appointment of seven directors with all five from Central San Diego along with two from Greater Mountain Empire with appointments made by the Board of Supervisors.

2.3 Post Formation Activities

A summary of notable activities undertaken by RCD of Greater San Diego County and/or affecting the District's service area following formation in 1944 is provided below.

- LAFCO establishes RCD of Greater San Diego County's sphere of influence in May 1995. The sphere is purposely set as a larger-than-agency designation and matches the prior designations of the two predecessor agencies – Greater Mountain Empire and Central San Diego County RCDs.

- LAFCO updates and affirms RCD of Greater San Diego County's sphere of influence in March 2013 with no changes.

- LAFCO updates and affirms RCD of Greater San Diego County's sphere of influence in March 2013 with no changes.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

RCD of Greater San Diego County's jurisdictional boundary spans 2,989 square miles and covers 66% of all of San Diego County. Almost all the jurisdiction is unincorporated with exception of 247,893 miles lying within all or portions of 13 cities.

RCD of Greater San Diego County's existing boundary spans approximately 2,989 square miles and covers 1,913,312 acres (parcels and public rights-of-ways). The County of San Diego is the predominant land use authority and overlaps 87% of the jurisdictional boundary and planned accordingly in 31 separate community plans. The remaining portion of the jurisdictional boundary is incorporated and includes all or portions of lands lying in the Cities of Carlsbad, Del Mar, El Cajon, Encinitas, Escondido, National City, Poway, San Marcos, Solana Beach, San Diego, Santee, and Vista. This latter portion of the jurisdictional boundary, notably, represents lands previously within the predecessor agencies of RCD of Greater San Diego County and were subsequently and separately annexed or incorporated into cities. Overall, there are currently 748,225 registered voters within the District.

RCD of Greater San Diego County
Boundary Breakdown By Land Use Authority
Table 3.1a (Source: Esri and San Diego LAFCO)

Land Use Authority	Total Assessor Parcel Acres	% of Total Accessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of San Diego	1,665,419	87%	118,728	238,036
City of Carlsbad	20,346	1.06%	51,380	59,008
City of Chula Vista	14,379	0.75%	26,290	51,324
City of El Cajon	5,407	0.28%	10,400	19,807
City of Encinitas	5,537	0.29%	7,878	14,413
City of Escondido	22,570	1.18%	33,726	63,640
City of La Mesa	196	0.01%	395	1,261
City of Oceanside	9,174	0.48%	23,701	40,081
City of Poway	25,039	1.31%	16,190	30,997
City of San Diego	106,850	5.58%	270,211	62,287
City of San Marcos	15,556	0.81%	26,401	47,445
City of Santee	10,686	0.56%	19,366	35,336
City of Solana Beach	200	0.01%	355	584
City of Vista	11,952	0.62%	23,896	46,402
TOTAL	1,913,312	100%	628,917	748,225

Total assessed value (land and structure) within RCD of Greater San Diego County is set at $321.1 billion as of January 2020 and translates to a per acre value ratio of $0.168 million. The former amount – $321.1 billion – further represents a per capita value of $0.221 million based on the estimated fulltime population of 1.45 million. RCD of Greater San Diego County receives 0.00006417% of the annual 1.00% of property tax collected in the District.

RCD of Greater San Diego County receives $0.00006417 cents for every $1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from RCD of Greater San Diego County at the end of the fiscal year was $0.357 million.

The jurisdictional boundary is currently divided into 628,917 assessor parcels spanning 1,865,577 acres. (The remaining jurisdictional acreage – 47,735 – consists of dedicated public right-of-ways and local water bodies.) More than nine-tenths – 98.6% – of the assessor parcel acreage is under private ownership with four-fifths of this amount having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private parcel assessor acreage is undeveloped and consists of 57,537 vacant parcels that collectively total 353,766 acres. More than four-sevenths – or 1,117,575 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

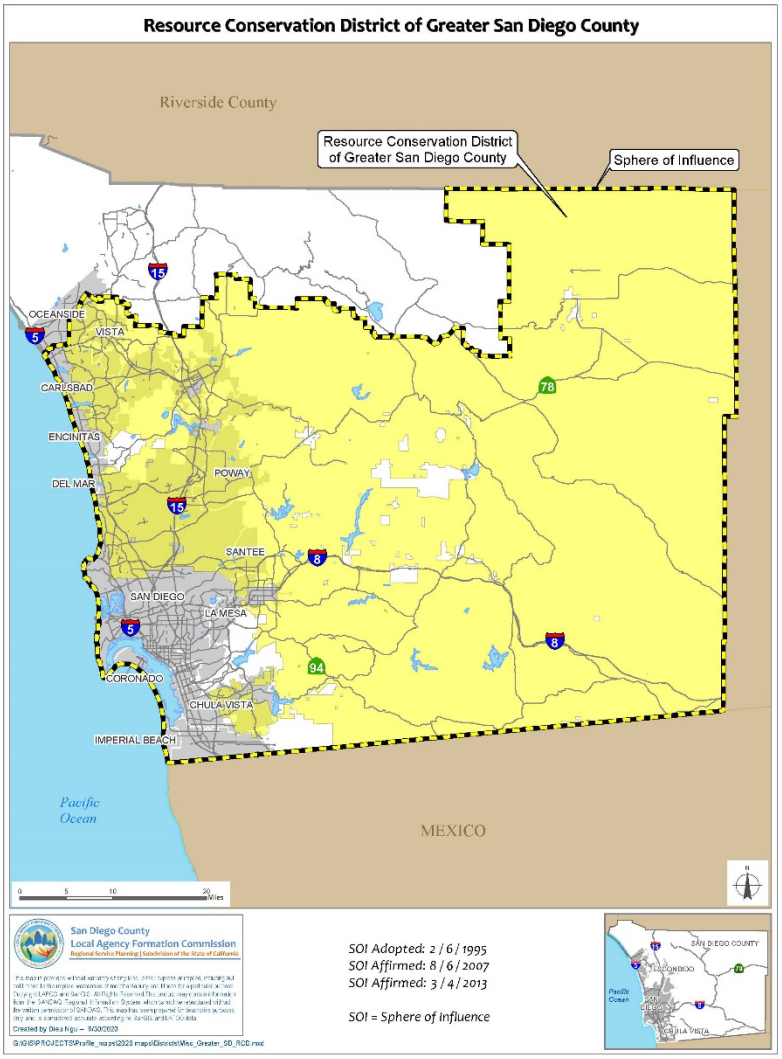
There are 619,514 privately owned assessor parcels within RCD of Greater San Diego County that remain undeveloped and total 353,766 acres; an amount that represents close to one-fifth of the entire District.

3.2 Sphere of Influence

RCD of Greater San Diego County's sphere of influence was established by LAFCO in May 1995 and last reviewed and affirmed without change in March 2013. The sphere is larger than the District boundary with the inclusion of 257,247 non-jurisdictional acres with and largely concentered in the Cities of San Diego, Chula Vista, and National City. The sphere does not exclude any existing jurisdictional lands. No special study areas have been assigned to the RCD of Greater San Diego County sphere.

RCD of Greater San Diego County's sphere of influence is 13% larger than the District that totals 257,247 acres lying outside the jurisdictional boundary.

3.3 Current Boundary and Sphere Map



Quick Facts

Boundary

2,989 square miles

628,917 assessor parcels

57,537 privately owned parcels remain undeveloped and equals 19% of total parcel acreage in District

87% in unincorporated area

13% within 13 cities

$321.1 billion in assessed value

58% qualifies as DUC

Sphere

Established in 1995

Last updated in 2013

13% larger than boundary

4.0 DEMOGRAPHICS

4.1 Population and Housing

RCD of Greater San Diego County's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 1,445,460 as of the term of the five-year report period. This amount represents 43.4% of the countywide total. It is also estimated the fulltime population has risen overall by 8.90% from 1,320,088 in 2010 and the last census reset. This translates to an annual change of

It is estimated there are 1,445,460 fulltime residents within RCD of Greater San Diego County at the end of the report period and captures two-fifths of the county total. It is also projected the fulltime population will increase consistent with recent trends – or 0.81% annually – and reach 1,505,034 by 2024.

0.99% and above the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue intact into the near-term and result in the fulltime population reaching 1,505,034 by 2024. The jurisdiction has a current population density of 1 resident for every 1.3 acres and underlies the overall rural character of the jurisdiction.

RCD of Greater San Diego County
Resident Population
Table 4.1a (Source: Esri and San Diego LAFCO)

Factor	2010	2019	2024 (projected)	Annual Change %
RCD of Greater San Diego County	1,320,088	1,445,460	1,505,034	0.99%
San Diego County	3,095,264	3,333,975	3,460,447	0.81%

There are 517,652 residential housing units within RCD of Greater San Diego County as of the report period term. This amount has increased by 484,140 – or 3,724 annually – since 2010. With respect to current housing characteristics within the District, 62.2% are owner-occupied, 33.8% are renter-occupied, and the remaining 4.0% are vacant. The average household size is 2.60 and has decreased by (1.2%) from 2.63 over the preceding five-year period. The mean monthly housing cost in RCD of Greater San Diego County has decreased by (4.1%) from $1,305.79 to $1,252.88 based on the most recent five-year period averages. The mean monthly housing cost also continues to remain well below the countywide average of $1,578.00.

Housing production in RCD of Greater San Diego County totals 517,652 dwelling units as of the term of the report period. This includes the addition of 33,512 units – or 3,724 a year – since 2010. The average monthly housing cost in the District is $1,252.88, which is close to one-fourth lower than the countywide average.

RCD of Greater San Diego County
Housing Breakdown
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
RCD of Greater San Diego County	484,140	517,652		1,305.79	1,252.88	(4.9%)
San Diego County	1,164,766	1,236,184	6.1%	$1,540	$1,578	2.5%

4.2 Age Distribution

The median age of residents in RCD of Greater San Diego County is 47.7 based on the current five-year period average. This amount shows the population is rising with the median age experiencing an overall change of 5.9% from 45.1 over the preceding five-year period average. The current median age in RCD of Greater San Diego County also remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up slightly more than one-half of the estimated total population at 50.4%.

Residents within RCD of Greater San Diego County tend to be significantly older with a medium age of 47.71; an amount that is more than one-fourth higher than the countywide average of 35.3. The majority – 50.4% – of the residents also are aged within the prime working group of 25-64.

RCD of Greater San Diego County
Resident Age Breakdown
Table 4.2a (Source: American Community Survey and San Diego LAFCO)

Service Area	2010 Median Age	2019 Median Age	Change	2010 Prime Working Age	2019 Prime Working Age	Change
RCD of Greater San Diego County	45.07	47.71	5.87%	50.63	50.4%	(0.5)%
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

RCD of Greater San Diego County residents' average median household income has experienced a decrease in recent years and is currently $59,041. This amount is more than one-eighth lower than the countywide median income $66,529. The rate of persons living below the poverty rate has separately increased by to 14.4% and is now slightly above the countywide rate of 14.0%.

The median household income in RCD of Greater San Diego County is $59,041 based on the current five-year period average. This amount shows fulltime residents are receiving less pay with the median income experiencing an overall decrease of (5.4%) from the preceding five-year period average of $62,427. The current median household income in RCD of Greater San Diego County is also lower by one-eighth than the current countywide median of $66,529. Separately, the current average rate of persons living below the poverty level in RCD of Greater San Diego County is 14.4% and has increased by or 5.3% over the earlier five-year period and surpassing the countywide rate of 14.0%.

RCD of Greater San Diego County
Resident Income Breakdown
Table 4.3a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Median HH Income	2012-2016 Median HH Income	Change	2007-2011 Poverty Rate	2012-2016 Poverty Rate	Change
RCD of Greater San Diego County	$62,427	$59,041	(5.4%)	13.7%	14.4%	5.3%
San Diego County	$63,857	$66,529	4.2%	13.0%	14.0%	7.7%

4.4 Socioeconomic Indicators

Slightly more than one-fourth of RCD of Greater San Diego County residents have undergraduate degrees. The unemployment rate within the District is nearly double the countywide amount.

Unemployment within RCD of Greater San Diego County is relatively high at 8.6% based on the current five-year period average. This amount represents an overall and negative change of 100.3% compared to the previous five-year average and if far excess of the corresponding countywide change of (12.5%) from 5.6% to 4.9%. Educational levels as measured by adults 25 or older with bachelor degrees has slightly increased with the overall rate rising by 5.5% over the previous five-year period from 25.3% to 26.7% - although still substantially below the countywide rate of 36.5%. Over one-fourth – or 27.0% – of the population currently collects retirement income. The non-English speaking percentage of the population has decreased during this period from 14.3% to 9.6%; an overall difference of (32.5%).

RCD of Greater San Diego County
Socioeconomic Indicators Breakdown
Table 4.4a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Unemployment Rate	2012-2016 Unemployment Rate	Change	2007-2011 Non English	2012-2016 Non English	Change
RCD of Greater San Diego	4.30	8.62	100.3%	14.3%	9.6%	(32.5%)
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)

5.0 ORGANIZATION

5.1 Governance

RCD of Greater San Diego County's governance authority is established under the Resource Conservation Districts Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers RCD of Greater San Diego County to provide a moderate range of municipal service functions involving natural resource protections and improvements upon approval by LAFCO. RCD of Greater San Diego County is currently authorized to provide four active municipal service functions: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before RCD of Greater San Diego County would be allowed to initiate. Similarly, should RCD of Greater San Diego County seek to divest itself of directly providing an active service function, it would need to receive LAFCO approval. A list of active and latent RCD of Greater San Diego County service functions follows.

Active Service Functions	Latent Service Functions
Soil Erosion	Water Distribution
Water Conservation	Erosion Stabilization
Wildlife Enhancement	
Agricultural Enhancement	

RCD of Greater San Diego County's regular meetings are scheduled on the first Tuesday of each month. Directors do not receive per diems.

Governance of RCD of Greater San Diego County is independently provided by a seven-member Board of Directors.[17] Each member of the Board is either elected by registered voters or appointed by the County of San Diego Board of Supervisors in the event no candidates file for election. All Board members serve staggered four-year terms with a rotating president system. The Board has also established to two "Associate" positions on the Board to help inform decision-making. The Board regularly meets every first Tuesday at 1:00pm at RCD of Greater San Diego County's

[17] LAFCO established a seven-member Board as part of the formation proceedings in 1995 and initially comprised all five Board members from RCD of Central San Diego County and two members from Empire Mountain RCD.

administrative office at 11769 Waterhill Road in Lakeside (92040). Directors do not receive per diems for meetings attended. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

RCD of Greater San Diego County
Current Governing Board Roster
Table 5.1a (Source: RCD of Greater San Diego)

Member	Board Position	Years on the Board	Background
Donald Butz	President	5	Fire Service
Marilyn Huntamer	Vice President	9	Small Business Owner
James Thompson	Secretary	4	Registered Arborist
Jordan Gascon	Director	2	Executive Director
Cody Petterson	Director	1	Non-profit Director
Vacant			
Vacant			
D.K. Nasland	Associate Director	Less than 1	Engineering Director
Jo MacKenzie	Associate Director	Less than 1	Land Use Planner

5.2 Administration

RCD of Greater San Diego County appoints an at-will General Manager to oversee all District activities. Principal duties include preparing an annual budget, liasoning with other State and local agencies, and managing staff and contracted consultants/vendors. The current General Manager – Sheryl Landrum – was appointed in January 2013 and oversees a budgeted staff of 18.0 fulltime employees along with seasonal staff. RCD of Greater San Diego County contracts with McDougal Love Boehmer Foley Lyon and Canlas (La Mesa) with principal legal representation provided by Steven E. Boehmer.

RCD of Greater San Diego County's Office
11769 Waterhill Road, Lakeside, CA 92040



Photo Credit: Google

6.0 MUNICIPAL SERVICES

RCD of Greater San Diego County is currently authorized to provide four distinct municpal service functions consistent with its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement.[18] These service functions are provided through 18.0 equivalent staff at the end of the report period. Overall staffing levels has changed by 260% over the corresponding 60-months and detailed in the accompanying footnote.[19] A summary analysis of the active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

RCD of Greater San Diego County provides four active service functions under its principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active functions and related classes.

6.1 Soil Erosion

RCD of Greater San Diego County's soil erosion service function involves maintaining chemical makeup of healthy soils. Current activities focus on developing carbon farming projects and proivding fuel reduction. A description of these current activities follow.

Carbon Farming

This service activity involves providing technical assistance to landowners to increase organic matter contents into the soil by sequestering carbon dioxide from the atmosphere for placement into soil and vegetation. Common examples include composting applications, mulching, and other cover crops. The sequestration process supports plant photosynthesis and retention of water and nutrients in the soil and in doing so helps reduce soil erosion while also combats climate change by overtime reducing greenhouse gas emissions. Related District services include assisting landowners to apply for grants to fund individual carbon farming projects. The District also performs related educational services by operating demonstration plots at the Sweetwater and Tijuana Valley Community Gardens.

Fuel Reduction

This service activity involves providing educational and related technical advice to landowners and community organizations to help reduce excess surface fuels that have fallen to the ground. Common examples of surface fuels are leaves, twigs, and pieces of bark, which are collectively referred to as "leaf litter." Reducing fuels through prescribed burning or other

[18] RCD of Greater San Diego County is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization.
[19] Fulltime equivalent staffing levels at the start of the five-year report period was 8.

methods can minimize soil erosion caused by severe wildfires.

RCD of Greater San Diego County currently has four active contracts relating to its soil erosion service function and are summarized below.

- United States Forest Service: Cleveland National Forest
  This contract relationship was established in 2009 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to the Palomar Observatory and Bergman Ranch areas within the Cleveland National Forest. The current grant provides $2.0 million and extends through 2021.

- United States Forest Service: Grants Clearinghouse
  This contract relationship was established in 2008 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to rural San Diego County. The current grant provides $200k and extends through 2020.

- San Diego Gas and Electric (SDG&E)
  This contract relationship was established in 2012 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to the SD County area. The current grant provides $0.120 million and extends through 2021.

- California Department of Food and Agriculture (CDFA)
  This contract relationship was established in August 2019 and involves grant funding for the District to assist carbon farming practices at the Daley Ranch in Jamul. The current grant provides $0.099 million and extends through 2022.

6.2 Water Conservation

RCD of Greater San Diego County's water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on watershed education and related technical assistance. Additional details follow.

Watershed Education

This service activity has been a central focus of the District since formation and involves an education program delivered to schools and at community events to educate and inform students and residents to improve conditions within the San Diego Bay Watershed and its three sub-areas: Otay; Pueblo; and Sweetwater. Examples include working with landowners, schools, and community groups to inform and facilitate stewardship activities

throughout the San Diego Bay Watershed to improve water quality. The program includes a classroom presentation to educate students about what a watershed is, how watersheds become polluted, and how individuals can make a difference. The District also annually awards $1,000 scholarships to graduating high-school students demonstrating achievement in promoting watershed stewardship.

RCD of Greater San Diego County currently has two active contracts relating to its water conservation function and are summarized below.

- San Diego County Port Authority
  This contract relationship was established in 2017 and involves grant funding for the District to provide free watershed education programs made available to all second through sixth grade students located within the San Diego Bay Watershed. The grant program typically involves registered schools receiving in-class presentations aimed at providing students hands-on opportunities to learn about their environment and the connection between land, water, and human actions. The current grant provides the District $0.101 million grant and extends through 2022.

- Student & Landowner Education & Watershed Stewardship (SLEWS)
  This contract relationship was established in 2014 and involves grant funding to for the District to engage high school students on real-world conservation projects. The grant program focuses on watershed education at the elementary school level within AREA. The current grant provides the District $0.016 million through 2021.

6.3 Wildlife Enhancement

RCD of Greater San Diego County's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities focus on habitat restoration, pollinator health, and wildfire prevention. Additional details follow.

Habitat Restoration (Invasive Species Removal)

This service activity involves addressing the negative effects on the natural environment from invasive species – such as Arundo donax and Tamarisk. This includes removing and/or otherwise curbing invasive species that are prone to spread massively on natural ecosystems and cause adverse impacts and marked by the loss of biodiversity. Removal is typically performed manually by hand or heavy machinery and supplemented as needed by herbicide. Current activities include eliminating invasive plants, weeds, and wildlife species along the El Capitan Reservoir to limit their deleterious effects on water supply and quality while reducing fuel loads.

Pollinator Health

This service activity involves restoring and enhancing natural habitat for native pollinators, including bees, birds, and butterflies. The aim of the program is to support pollinators and the essential role in supporting food production and plant diversity and currently include creating demonstration pollinator gardens in public spaces and as part of an annual exhibit at the San Diego County Fair. Related work also includes creating a local source of native milkweed for use in habitat creation in both home gardens and restoration projects. The District serves as the administrator for the San Diego Pollinator Alliance, which is a network of agencies and organizations partnering to support pollinator health in San Diego County.

Wildland Fire Prevention

This service activity involves managing local programs to help facilitate defensible space initiatives and protect landowners and communities from wildland fires. These activities are done in partnership with the Fire Safety Council of San Diego County and its local chapters. Management activities includes organizing and administering grants to provide local fire safe council chapters with free chipping, brush thinning and clearing, and community workshops. The service activity is performed across the District and the work is conducted year round.

RCD of Greater San Diego County currently has six active contracts relating to its wildlife enhancement function and are summarized below.

- California Association of Resource Conservation Districts
  This contract relationship was established in 2016 and involves grant funding to raise awareness of the benefits of planting native milkweed and includes providing local, native milkweed seed sources to landowners. The current grant is for $0.002 million grant and extends to 2022.

- San Diego Integrated Regional Water Management
  This contract relationship was established in 2017 and involves grant funding to improve water quality in the El Capitan Reservoir in eastern San Diego County. The grant program is tied to Proposition 84 and funds the elimination of invasive plants, weeds, and wildlife species along the El Capitan Reservoir. The current grant is for $2.1 million extends through 2022.

- U.S. Fish and Wildlife Service
  This contract relationship was established in 2014 and involves grant funding to build and support local pollinator habitats and the work of the San Diego Pollinator Alliance. Existing focus is on the creation of the first local source of native milkweed seed to support and revitalize pollinator habitats in San Diego. The current grant is for $0.044 million grant and extends through 2023.

- California Department of Forestry and Fire Protection (CAL FIRE)
  This contract relationship was established in 2019 and involves grant funding to conserve working forests and minimize loss of forest carbon as well as protect upper watersheds. Current focus is on the Palomar Mountain area and includes a multi-agency partnership with Fire Safe Council of San Diego County, United States Forest Service, La Jolla Band of Luiseño Indians, Pauma Band of Mission Indians, and Palomar Land & Cattle Company. The current grant is for $5.0 million grant and extends to 2024.

- County of San Diego
  This contract relationship was established in 2016 and involves grant funding to improve the Tijuana River Valley. Specific activities focus on expanding and improving the Tijuana River Valley Community Garden with recent accomplishments including new irrigation and security for 98 garden plots as well as creating six quarter-acre plots for more intestine gardening. The current grant is for $0.030 million and extends to October 2020.

- California Department of Conservation: Regional Fire and Forest
  This contract relationship was established in 2019 and involves assistance to develop local chapters for the Fire Safe Council of San Diego County. Specific activities funded by the grant program include planning and demonstration project such as wood chipping, defensible space assistance, and conducting fire-safety workshops. The current grant is for $1.43 million and extends to 2023.

6.4 Agricultural Enhancement

RCD of Greater San Diego County's agricultural enhancement service function involves supporting healthy and sustainable crop and livestock production. Current activities focus on regenerative farming, community supported agriculture, and integrated pest management. Additional details follow.

Regenerative Farming

This service activity involves working with landowners and other stakeholders to develop alternative farming methods to conventional practices that rely on tilling and non-organic fertilizers. The purpose of the service is to improve biodiversity through natural land restorative practices. Additional details on related activities is pending.

Community Supported Agriculture

This service activity involves connecting local farmers with consumers and provide a direct farm-to-table relationship through the District's operations at Wild Willow Farm and Education Center. Key mechanics involve managing an exchange system in which customers pre-purchase a "share" of produce with regular deliveries throughout the year (weekly or biweekly) from the farm based on the true costs of production. Additional details on related activities is pending.

Integrated Pest Management (IPM)

This service activity involves providing instruction to landowners and other stakeholders on garden-friendly pest control methods. The purpose of the service is to reduce non-native pests and maintain healthy gardens. Additional activity details are pending.

7.0 FINANCES

7.1 Financial Statements

RCD of Greater San Diego County contracts with an outside accounting consultant to prepare an annual report reviewing the District's financial statements in accordance with established governmental accounting standards. This includes auditing RCD of Greater San Diego County's statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing RCD of Greater San Diego County's short and long-term fiscal health with specific focus on delivering its active municipal service functions: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. The current outside consultant is Wilkinson, Hadley, King and Co (El Cajon).

RCD of Greater San Diego County's most recent audited financial statements for the five-year report period were issued for 2018-2019.[20] These statements show RCD of Greater San Diego County experienced a slightly negative change over the prior fiscal year as the District's overall net position (regular accrual basis) decreased by (4.8%) from $2.483 million to $2.362 million. Underlying this change in net position is an increase in accounts payable coupled with a total margin loss of (6.9%) during the fiscal year due to the purchase of Wild Willow Farm. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	$2,595,328
Liabilities	$233,250
Outflow/Inflow	$0
Net Position	$2,362,078

Agency Assets

RCD of Greater San Diego County's audited assets at the end of 2018-2019 totaled 2.595 million and is (0.8%) lower than the average year-end amount of $2.610 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented close to two-thirds of the total amount – or $1.669 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining total – or $0.926 million and entirely categorized as capital facilities. Overall assets for RCD of Greater San Diego County have decreased by (1.5%) over the corresponding 60-month period.

RCD of Greater San Diego County's assets have modestly decreased by (0.8%) during the report period due to the purchase of Wild Willow Farms. The overall decrease is primarily attributed to a decrease in cash equivalents from $1.478 to $1.183 million over the 60-month period.

RCD of Greater San Diego County
Audited Assets
Table 7.1a | Source: RCD of Greater San Diego County

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	1,616,411	1,578,735	1,677,866	1,591,911	1,669,656	3.3%	1,626,916
Non-Current	1,019,173	1,017,442	995,724	959,209	925,672	(9.2%)	983,444
Total	$ 2,635,584	$2,596,177	$2,673,590	$2,551,120	$2,595,328	(1.5%)	$2,610,360

Agency Liabilities

RCD of Greater San Diego County audited liabilities at the end of 2018-2019 totaled $0.233 million and finished 125.1 higher than the average year-end amount of $0.102 million documented during the five-year report period. More than four-fifths of all

RCD of Greater San Diego County's liabilities remain modest overall but nonetheless have increased by three-fold – or 321.5% – during the report period from $0.055 to $0.233 million. The increase is largely attributed to a period-ending spike in accounts payable.

[20] The audit for 2018-2019 was issued by Wilkinson, Hadley and King Company, LLP on June 30, 2019.

liabilities finished the report period categorized as current and represent obligations owed within the year and largely tied to accounts payable. The remaining amount of liabilities are categorized as non-current and exclusively involve unearned revenues. Overall liabilities for RCD of Greater San Diego County have increased by 321.5% over the corresponding 60-month period.

RCD of Greater San Diego County
Audited Liabilities
Table 7.1b | Source: RCD of Greater San Diego County

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	26,719	37,664	26,681	33,627	195,376	631.2%	64,646
Non-Current	28,621	21,681	69,084	40,861	37,874	32.3%	39,624
Total	$55,340	$59,345	$95,765	$74,488	$233,250	321.5%	102,270

Net Position

RCD of Greater San Diego County's net position is trending slightly negative with loses in four of the five years during the report period. The net position has decreased overall from $2.580 to $2.362 million; a difference of (8.5%).

RCD of Greater San Diego County's audited net position or equity at the end of 2018-2019 totaled $2.362 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (5.8%) lower than the average year-end sum of $2.508 million documented during the five-year report period. Close to two-fifths of the ending net position – or $0.926 million – is tied to capital assets. The remainder is divided between restricted and unrestricted. Overall, the net position for RCD of Greater San Diego County has decreased by (8.5%) over the corresponding 60-month period with the volume attributed to the preceding reference to a period-ending spike in liabilities.

RCD of Greater San Diego County
Audited Net Position
Table 7.1c | Source: Mission RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	1,019,173	1,017,442	995,724	959,248	925,671	(9.2%)	983,452
Restricted	-	-	942,118	962,519	961,915	n/a	573,310
Unrestricted	1,561,071	1,519,390	639,983	561,701	474,492	(69.6%)	951,327
Total	$2,580,244	$2,536,832	$2,577,825	$ 2,483,468	$2,362,078	(8.5%)	$2,508,089

RCD of Greater San Diego County maintains one active governmental fund – general – underlying the net position. The unassigned portion of the General Fund totaled $0.474 million (modified accrual basis) as of the last audited fiscal year and represents the available and spendable portion of Mission RCD's fund balance. The unassigned amount represents less 8.8 months of operating expenses based on actuals in 2018-2019.[21]

RCD of Greater San Diego County's unassigned balance within its General Fund at the end of the report period totaled $0.474 million and has changed overall by (69.6%). The end balance is equal to covering close to nine months of operating costs.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO's review of the audited financial statement issuances by RCD of Greater San Diego County covering the five-year report period shows the District generally experienced declines in all standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. A summary of these standard measurements follow.

Standard measurements used to assess RCD of Greater San Diego County's financial standing shows the District finished the report period trending negatively in all standard measurement categories. This includes a negative total margin in four of the five years with an overall average of (2.8%).

- RCD of Greater San Diego County's liquidity levels are low and decreasing. The current ratio – which compares available assets against near-term obligations – decreased in four of the five years during the report period with an overall change of more than four-fifths – or (84.7%) – from 60.5 to 8.6. This ending amount reflects the District finished the report period with $8.60 in available cash for every $1.00 in immediate bills. The District's days' cash levels, similarly, decreased during the report period with an overall change of (60.7%) from 831 days to 330 days.

- RCD of Greater San Diego County's capital levels have decreased over the report period but remain high overall and available to help cover large and/or otherwise unplanned expenses. The debt-to-net assets – which measures the portion of the net position tied to outside financing – finished low at 1.6% while absorbing an approximate one-half increase during the report period. Similarly, the District's debt ratio and its measurement of total liabilities against total assets finished at 8.9% despite a three-fold increase.

[21] Actual operating expenses in 2018-2019 totaled $1.357 million.

- RCD of San Diego County's margin levels are very low have been decreasing with losses in four of the five years during the report period. The average total margin – the bottom line with respect to comparing overall revenues to expenses – generated during the period tallied (3.1%) with an ending amount of (6.9%).

RCD of Greater San Diego County
Financial Measurements
Table 7.2a | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	60.5to 1	830.7	2.1%	1.5%	(3.5%)	(3.5%)	227.9%	6.5
2015-2016	41.9 to 1	728.0	2.3%	0.9%	(6.2%)	(6.3%)	204.0%	7.3
2016-2017	62.9 to 1	445.1	3.6%	2.7%	5.4%	5.4%	58.6%	8.2
2017-2018	59.4 to 1	532.6	2.7%	1.6%	(4.1%)	(4.1%)	53.1%	9.4
2018-2019	8.6 to 1	326.6	8.9%	1.6%	(6.9%)	(6.9%)	35.0%	10.7
Average	44.4 to 1	572.6	3.9%	1.6%	(3.1%)	(3.1%)	140.5%	8.4
Trend	(85.8%)	(60.7%)	328.0%	43.7%	97.9%	97.9%	(84.7%)	64.3%

Current Ratio (Liquidity)
Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)
Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)
Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)
Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)
Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)
Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)
Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)
Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

RCD of Greater San Diego County does not have recorded pension obligations.

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C. UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT

1.0 OVERVIEW

San Luis Rey River Near Rainbow
Northbound State Route 6 | East to Woods Valley



Courtesy: Google

The Upper San Luis Rey Resource Conservation District (RCD) is an independent special district formed in 1942 and the longest operating RCD in San Diego County. Formation proceedings were initiated by area farmers and ranchers in consultation with the Natural Resources Conservation Services to create a locally funded agency to assist landowners in implementing soil, water, and other land management practices in support of agrarian activities. Upper San Luis Rey RCD encompasses a 402-square mile jurisdictional boundary and generally overlaps with the northern San Luis Rey Watershed.[22] All lands in the jurisdictional boundary are unincorporated and anchored by the communities of Pala, Pauma Valley, Rainbow (portion) Warner Springs, and Yuima. Close to one-fifth of the jurisdictional boundary also includes five American Indian reservations (La Jolla, Pala, Pauma-Yuima, Rincon, and Santa Ysabel). Governance is provided by a five-person board with members directly elected by geographic divisions or appointed by the County of San Diego Board of Supervisors in lieu of candidate filings. All members serve four-year terms. The average tenure on the Board among current members is 10 years with the longest tenured member – Oggie Watson – completing his 35th year.

Upper San Luis Rey RCD is presently organized as a limited-purpose agency with municipal service functions tied to two active categories under its principal act: (a) water conservation and (b) wildlife enhancement. Upper San Luis Rey RCD is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution, agricultural enhancement, and soil erosion functions. The primary focus of Upper San Luis Rey RCD has involved maintaining conservation easements and performing related work to protect and restore native wildlife. Upper San Luis Rey RCD more recently has partnered with other local and State agencies to create the San Luis Rey Sustainable Groundwater Agency to plan and manage basin supplies. The operating budget at the term of the report period (2018-2019) was $0.031 million. The last audited financial statements cover 2018-2019 and show Upper San

[22] The San Luis Rey Watershed lies in the northern portion of the County and encompasses a land area of about 560 square miles and encompasses parts of the City of Oceanside, City of Vista, Fallbrook, Pala, Valley Center, and Palomar Mountain. Over half of the watershed remains undeveloped and is largely agricultural with green groves, slopes and canyons. The watershed neighbors Santa Margarita Watershed to the north and Carlsbad and San Dieguito Watersheds to the south. San Luis Rey Watershed supplies area residents with potable water sourced from Turner Reservoir and Lake Henshaw, as well as a number of underground aquifers.

Luis Rey RCD's net position totaling $0.346 million with the unrestricted portion tallying $0.179 million. This latter amount reflects the unassigned monies in the General Fund and translates to covering more than 124 months of operating expenses based on recent actuals.

LAFCO independently estimates the fulltime resident population within Upper San Luis Rey RCD is 11,735 as of the term of this report period and accommodated through the construction of 4,615 current housing units in the District. Most of the estimated population – notably – lies within the unincorporated community of Pauma Valley. It is also projected the estimate of fulltime residents represents an overall increase of 811 since 2010 – or 90.1 annually – with a resulting annual growth rate of 0.78%, which is slightly below the corresponding countywide rate of 0.81%. The median household income in the District is $48,822 based on the current five-year period average and nearly two-fifths below the countywide average of $66,529.

2.0 BACKGROUND

2.1 Community Development

Upper San Luis Rey RCD's service area began its present-day development in the mid-1800s in parallel with the creation and awards of land grants – or ranchos – throughout California by the Mexican government. Rancho Pauma covers a sizeable portion of the region and was granted to Jose Antonio Serrano in 1844 and preceded a series of subsequent land divisions and arrival of permanent settlers.[23] The region also was introduced to emigrants beginning in the 1850s as a result of the Overland Mail Stagecoach Line with a stop at Warner Ranch. Initial development of the region primarily involved ranching with some local-serving agriculture with the former highlighted by cattle and sheep. The region's Native American population also remained prominently present during this period with several Luiseno Indian bands located along the San Luis Rey River and anchored by the earlier establishment of the Mission San Antonio del Pala in 1816.

Warner Ranch on the Way to Pala | Overland Mail Stagecoach Line
Circa 1903



Courtesy: San Diego History Center

[23] The word "pauma" is a Native American phrase and translates to "I bring water" or "a place where there is water."

Warner Springs
Circa 1941



Courtesy: San Diego History Center (pending)

The first official census performed for the Upper San Luis Rey region estimated the population at 603 in 1890 and generally divided between the communities of Warner Springs and Yuima. The population increased by nearly triple during the next 10 years to an estimated 1,736 in the 1900 census and primarily attributed to an influx of Native American band members (Pala and Pauma) moving into the region as a result of having to abandon villages to the west along the San Luis Rey River due to the incorporation and development of Oceanside. It was also during this period agricultural activities in the region began to intensify. This intensification was aided by water diversions from the San Luis Rey River along with transportation improvements allowing famers to bring products more directly to market. The result was a substantive expansion in family farming in the region heading towards the century midpoint and headlined by lemon groves and other citrus crops.

2.2 Formation Proceedings

Upper San Luis Rey Soil Conservation District's (later renamed Upper San Luis Rey RCD) formation was petitioned by area landowners in early 1942. The petition paralleled an emerging statewide movement to establish create local agencies with a dedicated property tax base to advance soil conservation services in partnership with the Natural Resource Conservation Services' regional offices. Formation proceedings were overseen by the County of San Diego's Boundary Commission – a precursor to the creation of LAFCOs – and approved subject to voter confirmation of landowners. An election was subsequently held in May 1942 with landowners approving the formation on a vote of 71 to 0 along with electing an initial board of directors.[24] The effective date of the formation was June 1, 1942.

2.3 Post Formation Activities

A summary of notable activities undertaken by Upper San Luis Rey RCD and/or affecting the District's service area following formation in 1945 is provided below.

[24] The inaugural Board consisted of Jack Adams, Howard Baily, Orlando Bergman, H.D. Curtis, and W.F. Wright.

- LAFCO adopts Upper San Luis Rey RCD's sphere of influence in June 1986. The sphere was established with a "larger-than-agency" designation to include several non-jurisdictional islands as well as adjacent northern land to Riverside County.

- The Sustainable Groundwater Management Act (SGMA) becomes law on January 1, 2015 and requires public agencies to manage all high and medium priority basins as identified by the State Water Resources Control Board. The subsequent identification process identifies the San Luis Rey Valley Groundwater Basin as a medium priority basin.

- Upper San Luis Rey RCD enters into an agreement with the County of San Diego, Pauma Valley Community Services District, and Yuima Municipal Water District to establish the San Luis Rey Groundwater Sustainability Agency (GSA) in June 2017.

- LAFCO updates and affirms Upper San Luis Rey RCD's sphere of influence in March 2013 with no changes.

- The State Water Resources Control Board awards a $1.3 million grant to fund the initial operation of the San Luis Rey GSA and development of a management plan over the basin in April 2018. Yuima MWD agrees to be lead agency in the GSA.

- The County of San Diego withdraws from the San Luis Rey GSA in January 2019 and the remaining agencies – Upper San Luis Rey RCD, Pauma Valley Community Services District, and Yuima Municipal Water District – enter into a new agreement regarding the governance and operation of the San Luis Rey GSA.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

Upper San Luis Rey RCD's existing jurisdictional boundary spans approximately 402 square miles and covers 257,280 unincorporated acres (parcels and public rights-of-ways). The County of San Diego is the sole land use authority within the jurisdictional boundary with associated planning provided in the County General Plan last updated in 2011 and further prescribed in several community plans as detailed in the accompanying footnote.[25] The primary land use within the jurisdictional boundary is commercial agriculture

Upper San Luis Rey RCD's jurisdictional boundary spans 402 square miles and covers 9.4% of all of San Diego County. All of the jurisdictional boundary is unincorporated and overlaps the land use authority of the County of San Diego.

[25] The following County Community Plans collectively encompass the Upper San Luis Rey RCD jurisdictional boundary: Rainbow; Fallbrook; Bonsall; Valley Center; Pala-Pauma; Palomar; North Mountain; Desert; and Borrego Springs.

and low to moderate residential estate uses focused in the Pala, Pauma Valley, Warner Springs, and Yuima communities along with a small amount of local-serving retail. There are also regional-serving commercial uses in the area and include Pauma Country Club, and Palomar Observatory. Five American Indian reservations are also within the jurisdictional boundary (La Jolla, Pala, Pauma-Yuima, Rincon, and Santa Ysabel). Overall, there are currently 5,597 registered voters in the District.

Upper San Luis Rey RCD
Boundary Breakdown By Land Use Authority
Table 3.1a (Source: Esri and San Diego LAFCO)

Land Use Authority	Total Assessor Parcel Acres	% of Total Accessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of San Diego	256,350	100%	6,210	5,597

Total assessed value (land and structure) within Upper San Luis Rey RCD is set at $1.47 billion as of January 2020 and translates to a per acre value ratio of $0.006 million. The former amount – $1.47 billion – further represents a per capita value of $0.125 million based on the estimated fulltime population in Upper San Luis Rey RCD of 11,735. Upper San Luis Rey RCD receives approximately one hundred thousandths (1/100,000) of the annual 1.0% of property tax collected in the District.

Upper San Luis Rey RCD receives $0.00000145 cents for every $1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from Upper San Luis Rey RCD at the end of the fiscal year was $0.008 million.

The jurisdictional boundary is currently divided into 6,210 assessor parcels spanning 256,350 acres. (The remaining jurisdictional acreage consists of public right-of-ways or waterways.) More than six-sevenths – 86.8% – of the assessor parcel acreage is under private ownership with five-eighths of this amount having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private accessor acreage in Upper San Luis Rey RCD is undeveloped and consists of 2,041 vacant parcels that collectively total 34,766 acres, which equals 13.5% of the entire District.

There are 2,041 privately owned parcels within Upper San Luis Rey RCD that remain vacant and span 34,766 acres; an amount that represents more than 13.5% of the entire District.

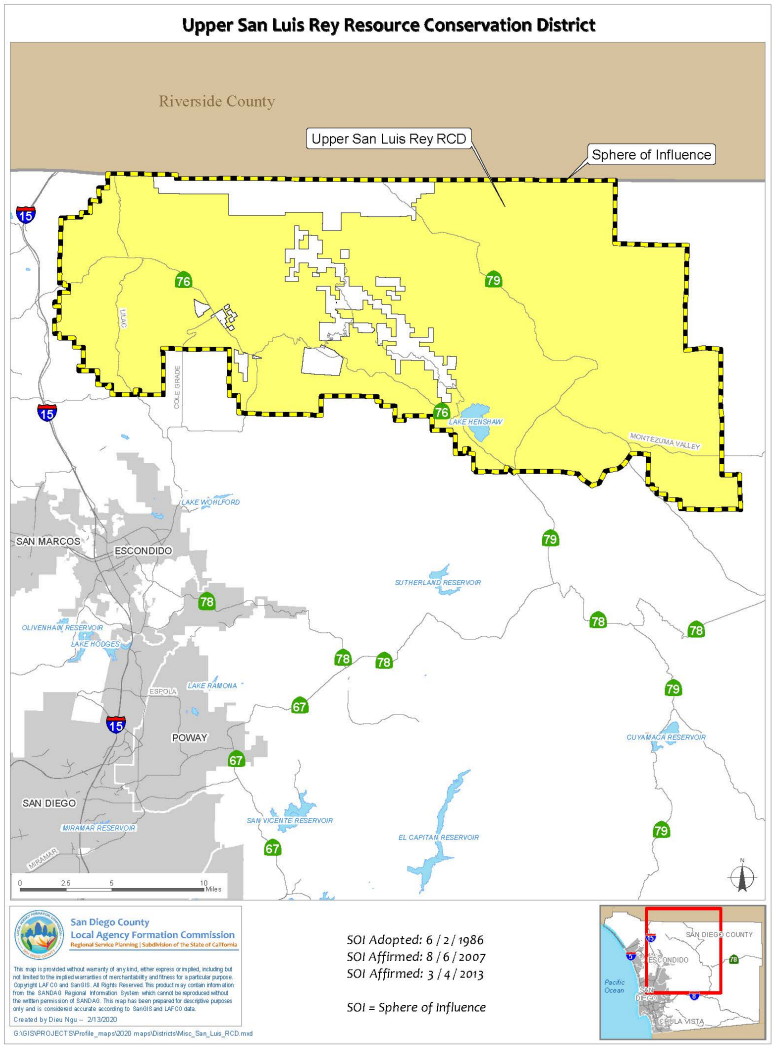
Close to seven-tenths – or 117,575 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

3.2 Sphere of Influence

Upper San Luis Rey RCD's sphere of influence was established by LAFCO in June 1986 and last reviewed and affirmed in March 2013. The sphere is categorized under LAFCO policy as "larger-than-agency" and includes approximately 31,000 acres of non-jurisdictional lands; an amount that would expand the District by one-tenth if annexed. These non-jurisdictional lands within the sphere constitute 30,715 acres and mostly consists of non-jurisdictional corridors or islands. No jurisdictional lands lie outside the District sphere.

Upper San Luis Rey RCD's sphere of influence is 11.9% larger than the District with the inclusion of 30,715 non-jurisdictional acres.

3.3 Current Boundary and Sphere of Influence Map



Quick Facts

Boundary

402 square miles

6,210 assessor parcels

2,041 privately owned parcels remain undeveloped and equals 13.5% of total parcel acreage in District

100% in unincorporated area

$1.47 billion in assessed value

47% qualifies as DUC

Sphere

Established in 1986

Last updated in 2013

12% larger than boundary

4.0 DEMOGRAPHICS

4.1 Population and Housing

Upper San Luis Rey RCD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 11,735 as of the term of the five-year report period. This amount represents 0.35% of the countywide total. It is also estimated the fulltime population has risen overall by 7.4% from 10,924 in 2010 and the last census reset and produces an average increase of 90 new residents each year. The annual average change of 0.78% mirrors the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 12,204 by 2024. The jurisdiction has a current population density of 1 resident for every 21 acres and underlies the substantively rural character of the jurisdictional boundary.

It is estimated there are 11,735 fulltime residents within Upper San Luis Rey RCD at the end of the report period and equals less than 0.5% of the entire county amount. It is also projected the fulltime population will increase consistent with recent trends – or 0.78% annually – and reach 12,204 by 2024.

Upper San Luis Rey RCD
Resident Population
Table 4.1a (Source: Esri and San Diego LAFCO)

Factor	2010	2019	2024 (projected)	Annual Change %
Upper San Luis Rey RCD	10,924	11,735	12,204	0.78%
San Diego County	3,095,264	3,333,975	3,460,447	0.81%

There are 4,615 residential housing units within Upper San Luis Rey RCD as of the report period term. This amount has increased by 221 – or 24.6 annually – since 2010. With respect to current housing characteristics within the District, 64.8% are owner-occupied, 22.2% are renter-occupied, and the remaining 13.0% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.6 and has increased by 3.0% from 2.5 over the preceding five-year period. The mean monthly housing cost in Upper San Luis Rey RCD has decreased by (10.6%) from $1,048.67 to $937.89 based on the most recent five-year period averages. The mean monthly housing costs also remains significantly below the countywide average of $1,578.

Housing production in Upper San Luis Rey RCD totals 4,615 dwelling units as of the term of the report period. This includes the addition of 221 units since 2010. The average monthly housing cost in Upper San Luis Rey RCD is $937.89, which is two-fifths – or (41%) – lower than the countywide average.

Upper San Luis Rey RCD
Housing Breakdown
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
Upper San Luis Rey RCD	4,394	4,615	5.0%	1,048.67	937.89	(10.6%)
San Diego County	1,164,766	1,236,184	6.1%	$1,540.00	$1,578.00	2.5%

4.2 Age Distribution

Residents within Upper San Luis Rey RCD tend to be older with a medium age of 46.9; an amount that is more than one-third higher than the countywide average of 35.3. Also close to one-half – 48.2% – of the residents are aged within the prime working group of 25-64.

The median age of residents in Upper San Luis Rey RCD is 46.9 based on the current five-year period average. This amount shows the population is experiencing a turnover and getting slightly younger with the median age experiencing an overall change of (3.1%) from 48.3 during the preceding five-year period average. The current median age in Upper San Luis Rey RCD, however, remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up nearly one-half of the estimated total population at 48.2%.

Upper San Luis Rey RCD
Resident Age Breakdown
Table 4.2a (Source: American Community Survey and San Diego LAFCO)

Service Area	2010 Median Age	2018 Median Age	Change	2010 Prime Working Age	2018 Prime Working Age	Change
Upper San Luis Rey RCD	48.3	46.9	(3.1%)	54.76	48.22	(12.0%)
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

Upper San Luis Rey RCD residents' average median household income has experienced a moderate decrease in recent years and is currently $48,822. This amount is more than one-fifth lower than the countywide median income $66,529. The rate of persons living below the poverty rate has also increased by nearly two-thirds to 19.2% and well above the countywide rate of 14.0%.

The median household income in Upper San Luis Rey RCD is $48,822 based on the current five-year period average. This amount shows fulltime residents are receiving less pay with the median income experiencing an overall decrease of (6.3%) from the preceding five-year period average of $52,129. The current median household income in Upper San Luis Rey RCD is also more than one-fifth lower than the current countywide median of $66,529. Separately, the current average rate of persons living below the poverty level in Upper San Luis Rey RCD is 19.2% and has increased by nearly two-thirds – or 65.0% – over the earlier five-year period and substantively above the countywide rate of 14%.

Upper San Luis Rey RCD
Resident Income Breakdown
Table 4.3a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Median HH Income	2012-2016 Median HH Income	Change	2007-2011 Poverty Rate	2012-2016 Poverty Rate	Change
Upper San Luis Rey RCD	$52,129	$48,822	(6.3%)	11.6%	19.2%	65.0%
San Diego County	$63,857	$66,529	4.2%	13.0%	14.0%	7.7%

4.4 Socioeconomic Indicators

Slightly more than one-fourth of RCD of Greater San Diego County residents have undergraduate degrees. The unemployment rate within the District is nearly double the countywide amount.

Unemployment within Upper San Luis Rey RCD is at 6.2% based on the current five-year period average. This amount represents an overall decrease of (13.0%) compared to the previous five-year average though still above the corresponding countywide tally of 4.9%. Educational levels as measured by adults 25 or older with bachelor degrees has slightly regressed with the overall rate decreasing by (5.3%) over the previous five-year period from 21.2% to 20.1% and continues to fall below the countywide rate of 36.5%. Slightly over one-fourth– or 25.2% – of the population currently collects retirement income. The non-English speaking percentage of the population has decreased during this period from 7.7% to 6.2%; an overall difference of (19.5%).

Upper San Luis Rey RCD
Socioeconomic Indicators Breakdown
Table 4.4a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011 Unemployment Rate	2012-2016 Unemployment Rate	Change	2007-2011 Non English	2012-2016 Non English	Change
Upper San Luis Rey RCD	7.1	6.2	(13.0%)	7.7%	6.2%	(19.5%)
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)

5.0 ORGANIZATION

5.1 Governance

Upper San Luis Rey RCD's governance authority is established under the Resource Conservation Districts Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers Upper San Luis Rey RCD to provide a moderate range of municipal service functions involving natural resource protections and improvements upon approval by LAFCO. Upper San Luis Rey RCD is currently authorized to provide two active categories under its principal act: (a) water conservation and (b) wildlife enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before Upper San Luis Rey RCD would be allowed to initiate. Similarly, should Upper San Luis Rey RCD seek to divest itself of directly

providing an active service function, it would need to receive LAFCO approval at a noticed public hearing. A list of active and latent Upper San Luis Rey RCD service functions follows.

Active Service Functions	Latent Service Functions
Wildlife Enhancement	Soil Erosion
Water Conservation	Water Distribution
	Agricultural Enhancement
	Erosion Stabilization

Governance of Upper San Luis Rey RCD is independently provided by a five-member Board of Directors. Each member of the Board is either elected by registered voters or appointed by the County of San Diego Board of Supervisors in the event no candidates file for election. All Board members serve staggered four-year terms with a rotating president system. The Board sets its regular meetings for every second Thursday at 12:00pm at Yuima Municipal Water District located at 34928 Valley Center Road in Pauma Valley (92061). Directors do not receive per diems and serve without compensation. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

Upper San Luis Rey RCD
Current Governing Board Roster
Table 5.1a (Source: Mission RCD)

Member	Board Position	Years on the Board	Background
Andrew Lyall	President	9	Farmer
Shasta Gaughen	Vice President	9	Environmental Director
Oggie Watson	Treasurer	35	Retired General Manager
Michael Perricone	Director	1	Farmer
Greg Kamin	Director	1	Farmer

5.2 Administration

Upper San Luis Rey RCD operates without dedicated and/or separate adminstration. The five-member Board itself directly oversees the day-to-day activies of the District and does not have a appointed or delegated General Manager. The District utilizes two contractors to assist the Board in adminstration and operation services. Yuima Municipal Water District is contracted to provide bookkeeping and general administrative support – including serving as the contact point for public inquiries. Shay O'Keefe – a conservation biologist – is contracted to maintain the District's field operations.

Upper San Luis Rey RCD's Contract Office
34928 Valley Center Road, Pauma Valley California 92061



Courtesy: Google Maps

The District also contracts as needed for other services – including for legal services.

6.0 MUNICIPAL SERVICES

Upper San Luis Rey RCD is currently authorized to provide two distinct municpal service functions consistent with its principal act: (a) water conservation and (b) wildlife enhancement.[26] These service functions are provided through a part-time equivalent staffing of 0.25 at the end of the report period. Overall staffing levels have not changed over the corresponding 60-months and further detailed in the accompanying footnote.[27] A summary analysis of the two active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

Upper San Luis Rey RCD provides two active service functions under its principal act: water conservation and wildlife enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active special district functions and related classes.

6.1 Water Conservation

Upper San Luis Rey RCD's water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on managing local groundwater resources through the District's participation in the San Luis Rey GSA. Additional details follow.

San Luis Rey GSA

Upper San Luis Rey RCD is a member of the relatively new San Luis Rey GSA and its statutory task to develop and implement a plan to achieve long-term groundwater sustainability in the Pauma Valley Subbasin upstream from Frey Creek. The San Luis Rey GSA was established in June 2017 and initially included Upper San Luis Rey RCD, Pauma Valley Community Services District, Yuima Municipal Water District, and the County of San Diego as lead manager. The County subsequently withdrew from the San Luis Rey GSA in January 2019 with Yuima Municipal Water District assuming the lead manager. The San Luis Rey GSA recently circulated a request for qualifications for preparing a groundwater sustainability plan and proceeded to contract with Geosciences, Inc (Claremont) in September 2020. The associated scope of work outlines 11 distinct phases from data collection to project management and expected to be completed by the January 1, 2022 deadline prescribed under statute. Funding for the San Luis Rey GSA to date is drawn from two grants totaling $1.3 million and detailed in the associated footnote.

[26] Upper San Luis Rey RCD is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization.
[27] Fulltime equivalent staffing levels at the start of the five-year report period was .25.

6.2 Wildlife Enhancement

Upper San Luis Rey RCD's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities focus on habitat restoration through the management of conservation agreements. Additional details follow.

Habitat Restoration (Invasive Species Removal)

This service activity involves mitigating the negative effects on the natural environment and loss of biodiversity due to invasive species. Common invasive species in the San Luis Rey RCD jurisdictional boundary include castor bean, standing tree tobacco, and tamarisk. activities are performed year-round by the District and done so currently as part of two conservation easements with the service of a contract biologist with an emphasis to protect the Arroyo Toad. Details on each conservation easement follows.

- San Luis Rey Arroyo Toad Preserve Conservation Easement
  This contract relationship was established in September 2007 with the United States Fish and Wildlife Service to manage and preserve an approximate 20-acre area located within the San Luis Rey River basin and natural habitat for the Arroyo Toad. The conservation area is part of the Fish and Wildlife Service's 10,000-acre area within the San Luis Rey River basin. The current contract provides the District a $150,000 endowment that extends in perpetuity. The investment returns of this endowment provided the necessary funding for the required agreement activities.

- Pauma Valley Country Club Easement:
  This contract relationship was established in December 2012 with the United States Army Corp of Engineers to restore, enhance, and protect an approximate 24-acre area within in the Pauma Valley Country Club held by the federal government. Additional details on related activities is pending.

A third conservation agreement is scheduled to begin in 2021 and intended to mirror the San Luis Rey Arroyo Toad Preserve Conservation Easement with the Fish and located in the Pauma Estates development. The pending contract will provide the District a $0.265 million endowment that extends in perpetuity.

7.0 FINANCES

7.1 Financial Statements

Upper San Luis Rey RCD contracts with an outside accounting consultant to prepare an annual report reviewing the District's financial statements in accordance with established governmental accounting standards. This includes auditing Upper San Luis Rey RCD's statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing the District's short and long-term fiscal health in delivering its active service functions: water conservation and wildlife enhancement. The current outside consultant is Sonnenberg and Company (San Diego).

Upper San Luis Rey RCD's most recent audited financial statements for the five-year report period were issued for 2018-2019.[28] These statements show Upper San Luis Rey RCD experienced a moderate improvement over the prior fiscal year as the District's overall net position (regular accrual basis) increased by 3.9% from $0.333 million to $0.346 million. Underlying this change in net position is a net surplus and marked by a total margin gain of 44.2% during the fiscal year. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	$346,061
Liabilities	$0
Outflow/Inflow	$0
Net Position	$346,061

Agency Assets

Upper San Luis Rey RCD's audited assets at the end of 2018-2019 totaled $0.346 million and is 13.4% higher than the average year-end amount of $0.321 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented nearly all of the total amount – or $0.340 million – and largely tied to cash and investments. Assets classified as non-current make up the remaining total – or $0.006 million and entirely categorized as depreciable capital facilities that include land, buildings, road signs, and improvements. Overall assets have increased by 16.0% over the corresponding 60-month period.

Upper San Luis Rey RCD's assets have increased by nearly one-fifth – or 16.0% – during the report period. The overall increase is primarily attributed to increasing cash and investments from $0.287 to $0.336 million over the 60-month period.

[28] The audit for 2018-2019 was issued by Sonnenberg & Company on June 30, 2019.

Upper San Luis Rey RCD
Audited Assets
Table 7.1a | Source: Upper San Luis Rey RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	289,416	301,277	310,950	326,372	340,349	17.6%	313,673
Non-Current	8,837	8,056	7,275	6,493	5,712	(35.4%)	7,275
Total	$298,253	$309,333	$318,225	$332,865	$346,061	16.0%	$320,947

Agency Liabilities

Upper San Luis Rey RCD ended 2018-2019 without any reported liabilities. Overall, the average amount of liabilities during the five-year report period was $400 and attributed to having accounts payable debts at the close of 2014-2015 and 2017-2018.

Upper San Luis Rey RCD's liabilities remained minimal during the report period with a one-year high amount of $1,600. The District finished the report period without any short or long-term debts.

Upper San Luis Rey RCD
Audited Liabilities
Table 7.1b | Source: Upper San Luis Rey RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	1,600	-	-	400	-	(100%)	400
Non-Current	-	-	-	-	-	n/a	-
Total	$1,600	-	$	$400	-	(100%)	400

Net Position

Upper San Luis Rey RCD's audited net position or equity at the end of 2018-2019 totaled $0.346 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 8.1% higher than the average year-end sum of $0.320 million documented during the five-year report period. Less than one-tenth of the ending net position – or $0.006 million – is tied to capital assets. The remainder is divided between restricted and unrestricted. Overall, the net position Upper San Luis Rey RCD has increased by 17.2% over the corresponding 60-month period and attributed to consistent annual surpluses.

Upper San Luis Rey RCD's net position is trending positively during the report period with gains each year. The net position has improved overall from $0.295 to $0.346 million; a difference of 17.2%.

Upper San Luis Rey RCD
Audited Net Position
Table 7.1c | Source: Upper San Luis Rey RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	8,837	8,056	7,275	6,493	5,712	(35.4%)	7,275
Restricted	157,451	160,090	158,833	160,373	161,692	2.7%	159,688
Unrestricted	128,985	141,187	152,117	152,117	178,657	38.5%	150,613
Total	$295,273	$309,333	$318,225	$318,983	$346,061	17.2%	$317,575

Upper San Luis Rey RCD maintains two active funds – General and Rancho Corrido Endowment – underlying the net position. The General Fund covers general governmental activities and ended the report period with unassigned balance of $0.179 million and represents the available and spendable portion of the District's fund balance. The unassigned amount represents 124 months of operating expenses based on actuals in 2018-2019. [29]

The unassigned balances within the General Fund at the end of the report period totaled $0.179 million and reflects an overall change during the 60-months of 38.5%. The end balance is equal to covering 124 months of operating costs.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO's review of the audited financial statement issuances by Upper San Luis Rey RCD covering the five-year report period shows the District experienced positive improvements in most of the standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. A summary of these standard measurements follow.

Standard measurements used to assess Upper San Luis Rey RCD's financial standing shows the District finished the report period with positive capital and margin levels. However, liquidity levels have either declined and/or remain low and create stresses on cash-flow and generate added importance on finishing with net surpluses.

- Upper San Luis Rey RCD's liquidity levels are exceedingly high and have been increasing. The District's days' cash ratio finished the report period at 122,677 and reflects available cash to cover current expenses over the next 336 years or 4,089 months. This ratio has also increased by 46.5% during the report period.

- Upper San Luis Rey RCD's capital levels remain exceedingly high and have improved during the report period with the District finishing without any obligations and memorialized in a 0.0% debt ratio. This advantageously positions the District to secure outside financing to help cover large and/or otherwise unplanned expenses.

[29] Actual operating expenses in 2018-2019 totaled $0.017 million.

- Upper San Luis Rey RCD's margin levels are high and been increasing with surpluses in each year during the report period. The average total margin – the bottom line with respect to comparing overall revenues to expenses – generated during the period tallied 35.8% with an ending amount of 44.2%.

Upper San Luis Rey RCD
Financial Measurements
Table 7.2a | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	180.9 to 1	5101.2	1.0%	0.5%	32.7%	32.7%	60.3.7%	11.4
2015-2016	37.4 to 1	4925.9	0.0%	0.0%	38.0	38.0	615.0%	10.3
2016-2017	n/a	4118.3	0.0%	0.0%	24.2%	24.2%	544.6%	13.4
2017-2018	815.9 to 1	6053.2	0.12%	0.0%	41.3%	41.3%	819.1%	14.4
2018-2019	n/a	7474.9	0.0%	0.0%	44.2%	44.2%	1039.1%	15.4
Average	n/a	5534.7	0.2%	0.1%	35.8	35.8	724.3%	13.0
Trend	n/a	46.5%	(100%)	(100%)	35.2%	35.2%	72.1%	35.1%

Current Ratio (Liquidity)
Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)
Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)
Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)
Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)
Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)
Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)
Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

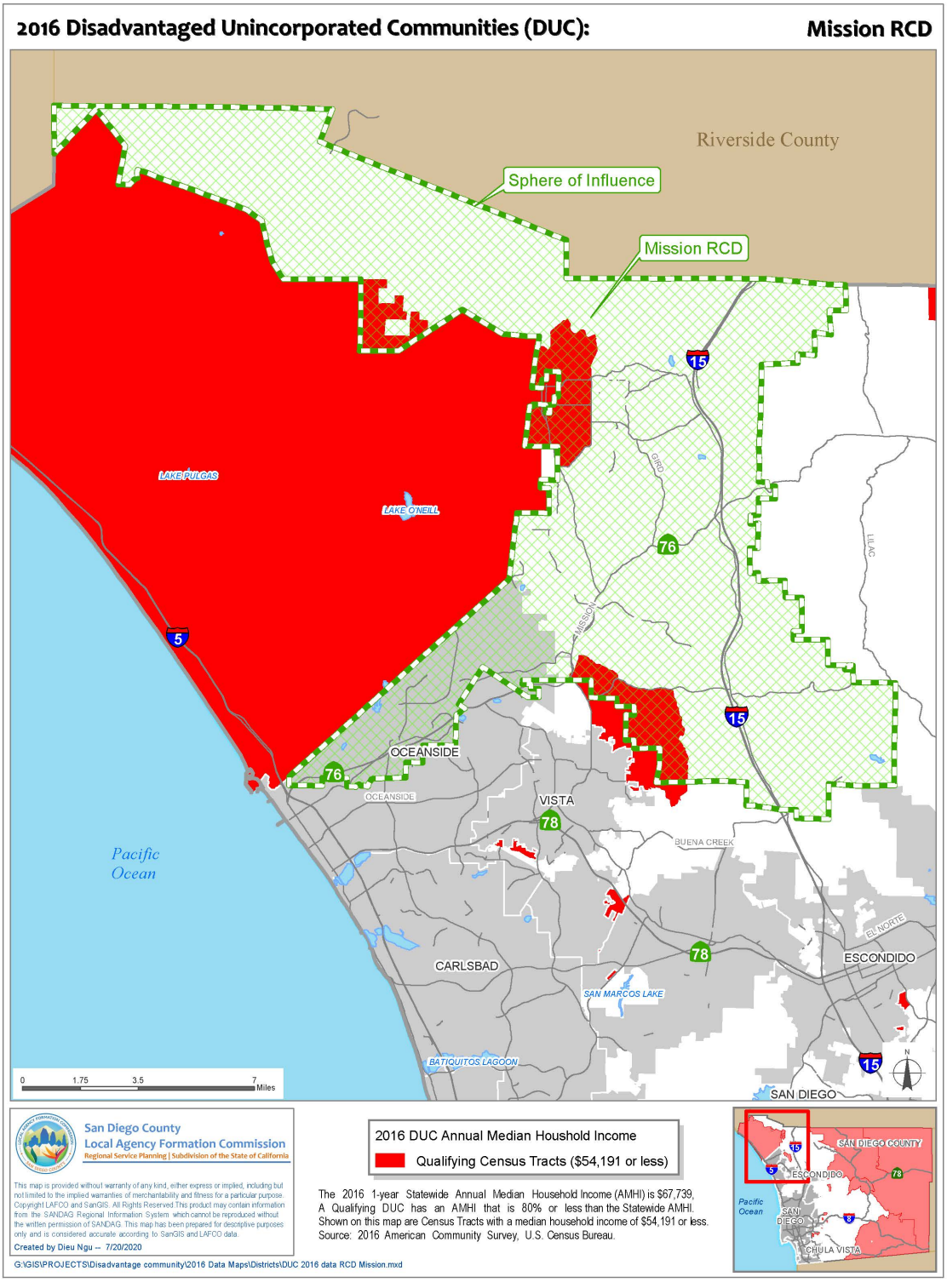
Equipment Replacement Ratio (Structure)
Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

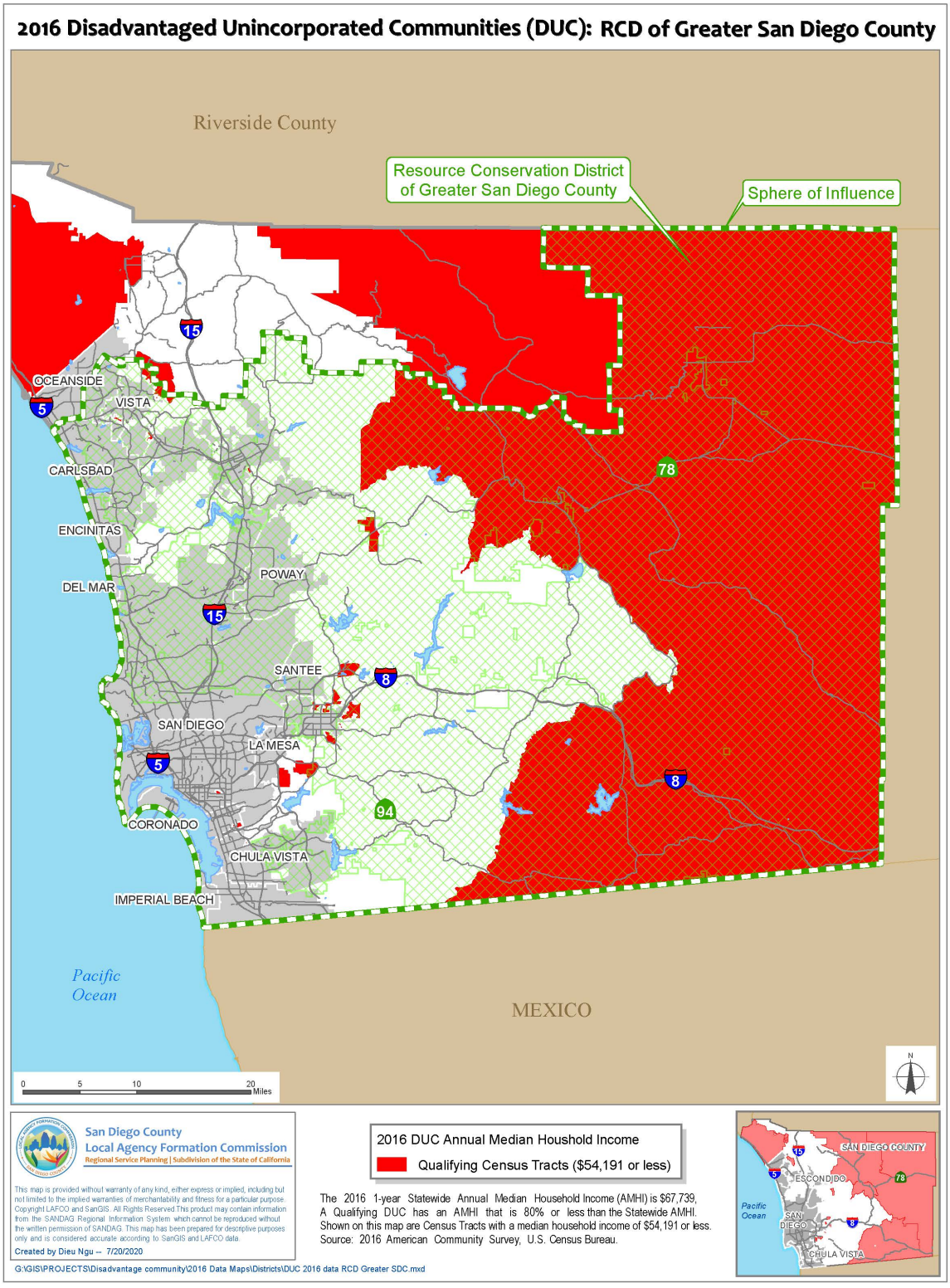
Upper San Luis Rey RCD does not have recorded pension obligations.

Appendix A
Disadvantaged Unincorporated Communities

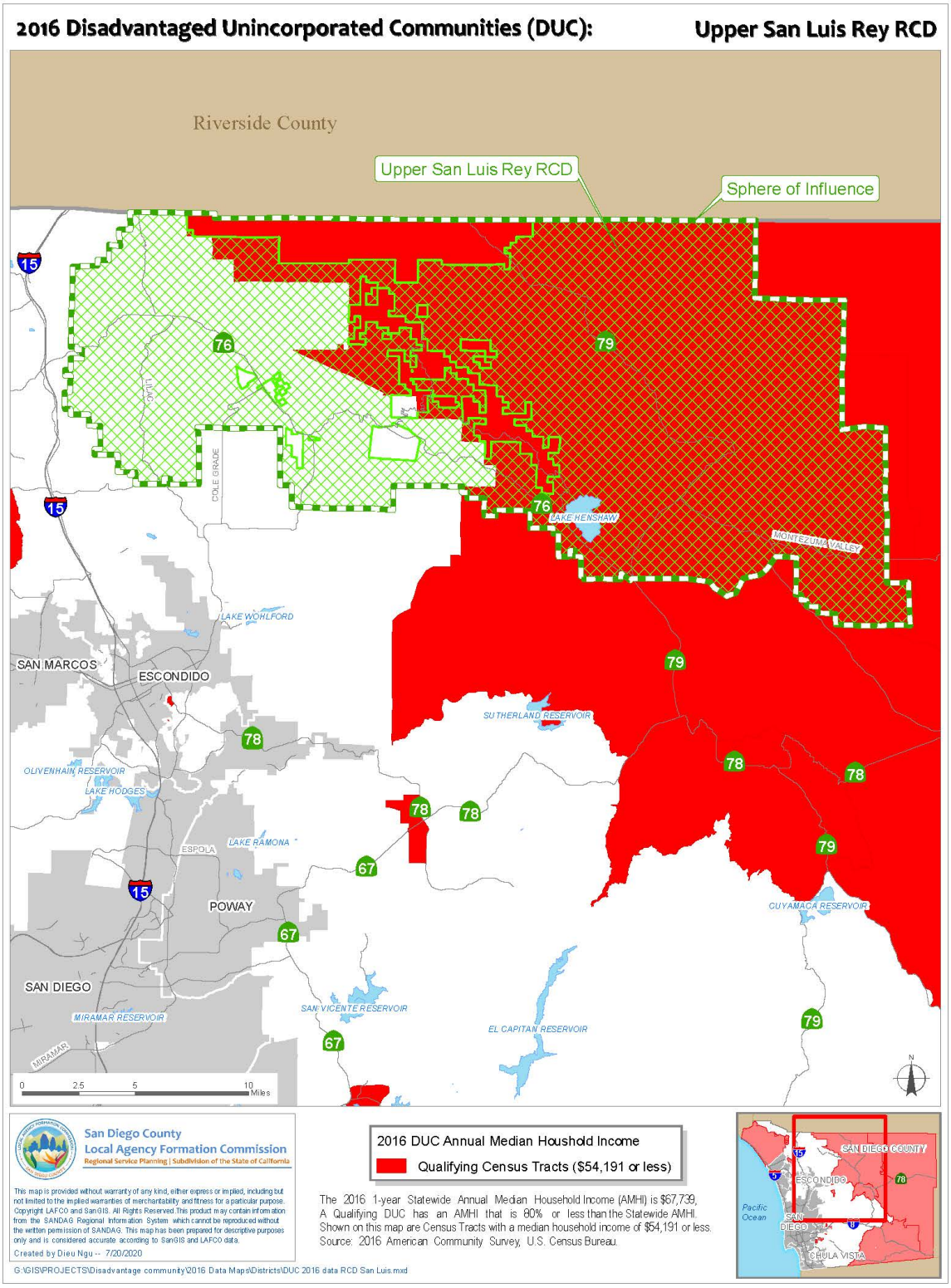
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2016 Disadvantaged Unincorporated Communities (DUC): Mission RCD
Riverside County
Sphere of Influence
Mission RCD
LAKE PULGAS
LAKE O'NEILL
OCEANSIDE
VISTA
CARLSBAD
ESCONDIDO
SAN MARCOS LAKE
BATIQUITOS LAGOON
BUENA CREEK
EL NORTE
SAN DIEGO
Pacific Ocean
0 1.75 3.5 7 Miles
San Diego County Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Created by Dieu Ngu -- 7/20/2020
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2016 DUC Annual Median Houshold Income
Qualifying Census Tracts ($54,191 or less)
The 2016 1-year Statewide Annual Median Household Income (AMHI) is $67,739. A Qualifying DUC has an AMHI that is 80% or less than the Statewide AMHI. Shown on this map are Census Tracts with a median household income of $54,191 or less. Source: 2016 American Community Survey, U.S. Census Bureau.
SAN DIEGO COUNTY
ESCONDIDO
SAN DIEGO
CHULA VISTA
Pacific Ocean

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2016 Disadvantaged Unincorporated Communities (DUC): RCD of Greater San Diego County
Riverside County
Resource Conservation District of Greater San Diego County
Sphere of Influence
OCEANSIDE
VISTA
CARLSBAD
ENCINITAS
DEL MAR
POWAY
SANTEE
SAN DIEGO
LA MESA
CORONADO
CHULA VISTA
IMPERIAL BEACH
Pacific Ocean
MEXICO
0 5 10 20 Miles
N
San Diego County Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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2016 DUC Annual Median Houshold Income
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SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

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2016 Disadvantaged Unincorporated Communities (DUC): Upper San Luis Rey RCD
Riverside County
Upper San Luis Rey RCD
Sphere of Influence
SAN MARCOS
ESCONDIDO
POWAY
SAN DIEGO
LAKE WOHLFORD
LAKE HENSHAW
MONTEZUMA VALLEY
SUTHERLAND RESERVOIR
OLIVENHAIN RESERVOIR
LAKE HODGES
LAKE RAMONA
ESPOLA
CUYAMACA RESERVOIR
SAN VICENTE RESERVOIR
EL CAPITAN RESERVOIR
MIRAMAR RESERVOIR
MIRAMAR
COLE GRADE
LILAC
0 2.5 5 10 Miles
N
San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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2016 DUC Annual Median Houshold Income
Qualifying Census Tracts ($54,191 or less)
The 2016 1-year Statewide Annual Median Household Income (AMHI) is $67,739. A Qualifying DUC has an AMHI that is 80% or less than the Statewide AMHI. Shown on this map are Census Tracts with a median household income of $54,191 or less.
Source: 2016 American Community Survey, U.S. Census Bureau.
SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

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Appendix B
Primary Sources

Agency Contacts

Mission Resource Conservation District
Darcy LaHaye, General Manager
Courtney Provo, General Manager (Former)

Resource Conservation District of Greater San Diego County
Sheryl Landrum, General Manager

Upper San Luis Resource Conservation District
Amy Reeh, Interim General Manager of Yuima Municipal Water District

Websites

American Community Survey / Demographic Information
www.census.gov

California Association of Resource Conservation Districts
www.carcd.org

California Department of Conservation
www.conservation.ca.gov/DLRP/rcd

Publications / Documents

County of San Diego General Plan and Adopted Community Plans
San Diego LAFCO Background Files and Agency Questionnaires
Mission Resource Conservation District Annual Financial Reports
Resource Conservation District of Greater San Diego County Annual Financial Reports
Upper San Luis Rey Resource Annual Financial Reports

A complete source list is available by contacting San Diego LAFCO.

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Appendix C
Comment Letters on Draft Report

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Letter No. 1

November 30, 2020

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

Dear Keene;

We have been advised that LAFCO will be considering the Municipal Service Review for Resource Conservation Districts at its December 7th Commission Meeting. We also understand that LAFCO may be evaluating a recommendation for some sort of re-organization affecting the Mission Resource Conservation District (MRCD) and the Resource Conservation District of Greater San Diego.

As independent special districts, we recognize LAFCO's mission of, and expertise in, evaluating how critical public services are to be delivered efficiently and effectively. As client public water agencies, we also recognize the vital role the Mission Resource Conservation District has played in sustaining and enhancing agriculture and water body/watershed protection in North San Diego County. Here are just a few examples:

- In 1992, with agriculture struggling to deal with the devastating impacts of the '90-'91 drought cutbacks and rising water costs, the San Diego County Water Authority and MRCD entered into contracts to provide Irrigation Water Use Efficiency Evaluations and other technical assistance to both Agriculture and Landscape customers within the CWA service area. Work done outside of MRCD territory is done under MOU with nearby RCD's.

- That very effective and critical relationship between wholesale/retail water agencies has been maintained continuously for almost 30 years to the great benefit of San Diego County Agriculture.

- More recently, in partnership with Valley Center, Rainbow, Carlsbad, and Rincon del Diablo Municipal Water Districts, Fallbrook Public Utility District, San Dieguito and Vallecitos Water Districts, the City of Escondido, the City of Oceanside, and SDCWA, the MRCD secured a $1.5M Regional Conservation Partnership Program Grant from the National Resource Conservation Service (NRCS) to assist local growers addressing water and soil resource conservation concerns on their farms. Through this program, growers have been able to upgrade their irrigation systems for greater irrigation efficiency and address issues with runoff and erosion for greater soil and watershed health.

- Over the past 5 years, MRCD has worked with 2,500 property owners in both the Landscape and Agriculture sectors to improve water use efficiency in irrigation and eliminate irrigation run-off into storm drains, water courses and ultimately, the Pacific Ocean.

We can easily state that the cooperative efforts, specialized expertise, and successful track record of the MRCD have played a large role in preserving San Diego County's agricultural heritage and economy, as well as protecting watersheds and local surface and groundwater water quality. Further, we can state that the MRCD is well known and well regarded in the communities which benefitted from its services, which is a key factor.

To quote from the ***RCD's Guide Book for Collaboration and Consolidation:***

"RCD's relationships with the communities they serve and the credibility and trust they built with those communities, are essential to their ability to do their work. Trust is built on a track record of accomplishments, successful projects, and satisfied landowners."

As LAFCO considers its recommendations concerning the potential re-organization of resource conservation districts in San Diego County, in our view, the issue should be ***much more*** about the effectiveness of services being provided by the MRCD to agriculture and water quality protection in our region, than about the number of RCDs. LAFCO might also consider that MRCD does not provide services in the traditional sense one thinks of with special districts, such as water, wastewater, fire protection, etc. What the MRCD does provide is effective, knowledge-based service or intellectual property which is put to effective use to the overall benefit of the region, irrespective of where the MRCD boundaries lie.

A possible solution would be to expand the boundaries of the MRCD southerly to the northern boundary of the city of San Diego. This boundary adjustment would allow the MRCD to encompass the areas hosting 95% of the County's commercial agriculture traditionally benefitting from its services. Even though this would not result in the reduction of special districts, three RCDs for a diverse San Diego County, which is the eighth largest out of California's 58 counties, covering 4,526 square miles, does not seem unreasonable.

Whatever LAFCO determines in regards to re-organization of the region's Resource Conservation Districts, there needs to be specific provisions in the LAFCO decision which guarantee preservation of the scope and effectiveness of the Mission Resource Conservation District's long-standing, specialized and critical services to the San Diego Region for the preservation of commercial agriculture, watershed protection and water quality.

Respectfully submitted by the undersigned San Diego County client public water agencies and partners with the MRCD;

Sandra Kerl, General Manager, SDCWA

Jack Bebee, General Manager, Fallbrook Public Utility District

Keene Simonds, LAFCO -3- Nov. 30, 2020

Tom Kennedy, General Manager, Rainbow Municipal Water District

Cliff Baze, General Manager, Rincon del Diablo Municipal Water District

Gary Arant, General Manager, Valley Center Municipal Water District

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Letter No. 2

FARM BUREAU San Diego County
The Voice of Local Farmers
Serving San Diego agriculture since 1914

December 3, 2020

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

Dear Mr. Simonds:

On behalf of the San Diego agricultural community, we are submitting this letter in regards to the December 7th Commission meeting where LAFCO will be considering the Municipal Service Review for the Resource Conservation Districts. We also understand that LAFCO may be evaluating a recommendation for some sort of re-organization affecting the Mission Resource Conservation District (MRCD) and the Resource Conservation District of Greater San Diego.

MRCD has played a vital role in sustaining and enhancing agriculture and water body/watershed protection in North San Diego County. In 1992, with agriculture struggling to deal with the devastating impacts of the '90-91' drought cutbacks and rising water costs, the San Diego County Water Authority and MRCD entered into contracts to provide Irrigation Water Use Efficiency Evaluations and other technical assistance to both Agriculture and Landscape customers within the CWA service area. That very effective and critical relationship between wholesale/retail water agencies has been maintained continuously for almost 30 years to the great benefit of San Diego County Agriculture. More recently, in partnership with Valley Center, Rainbow, Carlsbad, and Rincon del Diablo Municipal Water Districts, Fallbrook Public Utility District, San Dieguito and Vallecitos Water Districts, the City of Escondido, the City of Oceanside, and SDCWA, the MRCD secured a $1.5M Regional Conservation Partnership Program Grant from the National Resource Conservation Service (NRCS) to assist local growers addressing water and soil resource conservation concerns on their farms. Through this program, growers have been able to upgrade their irrigation systems for greater irrigation efficiency and address issues with runoff and erosion for greater soil and watershed health. Over the past 5 years, MRCD has worked with 2,500 property owners in both the Landscape and Agriculture sectors to improve water use efficiency in irrigation and eliminate irrigation run-off into storm drains, water courses and ultimately, the Pacific Ocean.

Whatever LAFCO determines in term of re-organization of the region's Resource Conservation Districts, there needs to be specific provisions in the LAFCO decision which guarantee preservation of the scope and effectiveness of the Mission Resource Conservation District's long-standing, specialized and critical services to the San Diego Region for the preservation of commercial agriculture, watershed protection and water quality.

Thank you for your consideration.

Sincerely,

HANNAH GBEH *Executive Director*

420 S. Broadway - Ste 200, Escondido, CA 92025 760.745.3023 www.sdfarmbureau.org sdcfb@sdfarmbureau.org

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Letter No. 3

THE UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT'S PARTICIPATION IN THE UPPER SAN LUIS REY RIVER BASIN GSA IS AN ABUSE OF THE LAFCO PROCESS

Since 1968, the La Jolla, Rincon, San Pasqual, Pauma and Pala Bands of Mission Indians (Bands) and the San Luis Rey Indian Water Authority have been engaged in multiple efforts to preserve, defend, protect and enforce the Bands' federally reserved and other rights to the surface and ground waters of the Upper San Luis Rey River and its tributaries. Their litigation, which also involved the United States, against the City of Escondido (Escondido) and the Vista Irrigation District (Vista) went to the United States Supreme Court in 1984. The result of the Supreme Court's decision was to send the case back to essentially to start over again.

The parties then commenced negotiations which eventually resulted in settlement agreements approved by Congress, the federal district court and the Federal Energy Regulatory Commission. The settlement includes important agreements with the Metropolitan Water District of Southern California and the San Diego County Water Authority and finally took effect on May 17, 2017.

The litigation and settlement with Escondido and Vista were limited to the surface and ground waters of the San Luis Rey River and its tributaries above the Henshaw Dam and above the diversion dam on the San Luis Rey River nine miles below Henshaw Dam. It did not include the ground water in the Upper San Luis Rey River (Upper Basin).

In September of 2014 as the settlement was in its final stages, the California legislature enacted, and Governor Brown signed the Sustainable Groundwater Management Act (SGMA). SGMA primarily applies to groundwater basins classified by the Department of Water Resources

1

as high or medium priority. Substantial portions of the La Jolla, Rincon, Pauma and Pala Reservations overlie the medium priority Upper Basin.

SGMA includes three important provisions applicable to California tribes. Section 10720.3(b) says that SGMA applies to an Indian tribe "to the extent authorized under federal or tribal law. Section 10720.3(c) says that any federally recognized Indian tribe "may voluntarily agree to participate in the preparation or administration of a groundwater sustainability plan or groundwater management plan… through agreements with local agencies in the basin." Most importantly, section 10720.3(d) states:

> …. In the management of a groundwater basin or subbasin by a groundwater sustainability agency or by the [State Water Resources Control] board, federally reserved water rights to groundwater shall be respected in full. In case of conflict between federal and state law in that … management, federal law shall prevail.

After considerable internal thought and discussion as well as initially constructive meetings and other interactions with local water agencies and users of groundwater in the Upper Basin, the IWA and the Bands decided to voluntarily participate in the preparation and administration of a groundwater sustainability plan through voluntary agreements with local agencies in the Upper Basin. Unfortunately, those efforts were not successful.

Three governmental agencies, Yuima MWD, Pauma Valley Community Services District and the Upper San Luis Rey Resource Conservation District (RCD) have joined together to from a GSA for the Upper Basin without participation by the IWA or any of the Bands. The IWA and the Bands believe, and respectfully request LAFCO to conclude that RCD is not qualified to form a groundwater sustainability agency or to participate in its governance.

SGMA section 10723.6(c) says that a "combination of local agencies may form a groundwater sustainability agency." A "local agency" is defined in SGMA section 10721(n) to mean "a local public agency that has water supply, water management or land use responsibilities within a groundwater basin."

RCD does not have water supply, water management, or land use responsibilities. The December 7, 2020 Draft Municipal Service Review for Resource Conservation Districts in San Diego County (Draft MSR) states (on page 73) that the RCD is presently organized as a limited purpose agency with municipal service function tied to two active categories under its principal act: (a) water conservation and (b) wildlife enhancement. "The primary focus of Upper San Luis Rey RCD has involved maintaining conservation easements and performing related work to protect and restore native wildlife." 12/7/20 Draft MSR at 73 and 82.

The RCD does have latent power to, among other things, provide water distribution. But that latent power has not been and cannot be exercised unless formally authorized by LAFCO at a noticed LAFCO hearing. MSR at 81. No such hearing has been called or held.

The 12/7/20 Draft MSR states that San Luis Rey RCD's water conservation service function activities "focus on managing local groundwater resources through the District's participation in the San Luis Rey GSA." There are two fatal problems with this assertion. First, the SGMA requirement for being a local agency is that it actually has water supply, water management or land use responsibilities. That requirement clearly is not satisfied through its "participation," whatever that means, in another entity.

Second, and as previously noted, the water distribution is a latent service function which must first need to be "formally activated by LAFCO at a noticed hearing." There is no indication that any such hearing has been requested or held.

It is therefore crystal clear that the San Luis Rey RCD is not a local agency under SGMA and therefore is not qualified to form a GSA pursuant to SGMA section 10723.6(a).

SGMA requires that all of the land within high and medium priority basins must be subject to being covered and regulated to the maximum extent possible, one way or another, by properly formed GSAs. SGMA section 10723.2 states (with emphasis added): "The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans." It then lists eleven of those interests, which include the federal government, California Native American tribes, and disadvantaged communities, and, for good measure, states that the covered beneficial uses and users of groundwater are not limited to those on the list.

In addition, SGMA section 10724(a) goes further by providing: "In the event that there is an area within a high or medium priority basin that is not within the management area of a groundwater sustainability agency, the county within which that unmanaged area lies will be presumed to be the groundwater sustainability agency for that area." Counties can opt out of being the groundwater sustainability agency for the area by providing notice to DWR pursuant to SGMA section 10724.(b). If that fails, SGMA section 10735.2 empowers the State Water Resources Control Board to declare high or medium priority basins probationary. Sections 10735.6, 10735.8 and 10736 authorize the Board to adopt and implement interim plans to carry out the purposes of SGMA. All of these SGMA provisions reinforce the critical importance of

insuring, to the maximum extent possible, that all extractions of groundwater within high and medium priority basins are subject to regulation and control either by properly formed GSAs, by the county or counties in which the GSA is located, or, as a last resort, by the State Water Resources Control Board.

CONCLUSION

The record in this matter clearly establishes that RCD's involvement in the Upper Basin SGMA process is a sham. SGMA's overriding purpose is overcoming the adverse effects of over-pumping the Upper Basin's groundwater by achieving long-term sustainability. Two of the major questions are: (1) how will sustainability be achieved? and (2) how will the Bands' federally reserved water rights be respected in full as SGMA mandates?

RCD does not pump or use groundwater. It is not a "local agency" under SGMA because it does not have "water supply, water management, or land use responsibilities."

Without RCD's participation, there cannot and will not be an Upper Basin GSA that excludes the IWA and the four Bands.. RCD does not have, or should not have, a dog in that fight.

The obvious purpose of RCD's participation in the Upper Basin GSA is to provide a jurisdictional fig leaf for Yuima MWD and local water users other than the Bands to retain their power, dominance and control over the Upper Basin's groundwater at the expense of the Bands' federally reserved water rights and in a manner that undermines the California legislature's directive that those rights be "respected in full."

5

If RCD wants to participate in the SGMA/GSA/GSP process, it should follow the letter of LAFCO's process and rules for becoming a local agency as defined in SGMA.

Dated: December 4, 2020

Respectfully submitted,

By: Robert S. Pelcyger
Art Bunce
Edward Roybal
Geneva Lofton
Jeff Helsley
Jerimy Billy

FIGURE 4

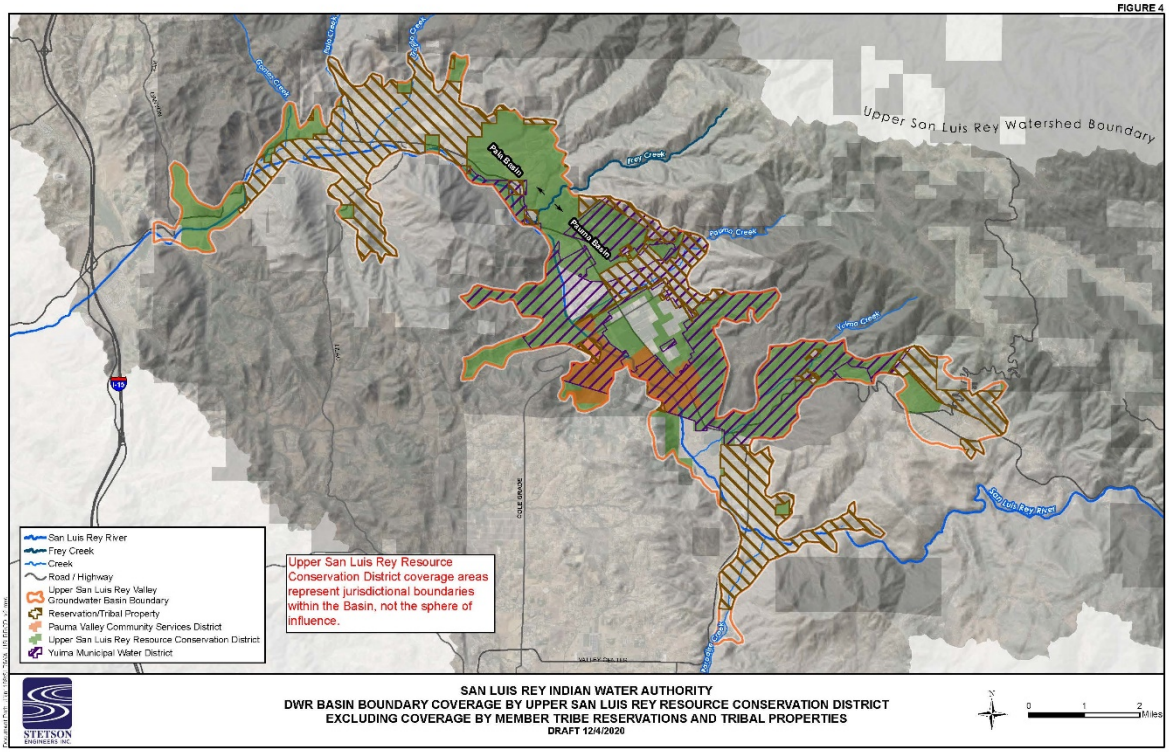

Upper San Luis Rey Watershed Boundary
Pala Basin
Pauma Basin
Frey Creek
Pauma Creek
Yuima Creek
San Luis Rey River
I-15
COLE GROVE
San Luis Rey River
Frey Creek
Creek
Road / Highway
Upper San Luis Rey Valley Groundwater Basin Boundary
Reservation/Tribal Property
Pauma Valley Community Services District
Upper San Luis Rey Resource Conservation District
Yuima Municipal Water District
Upper San Luis Rey Resource Conservation District coverage areas represent jurisdictional boundaries within the Basin, not the sphere of influence.
SAN LUIS REY INDIAN WATER AUTHORITY
DWR BASIN BOUNDARY COVERAGE BY UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT
EXCLUDING COVERAGE BY MEMBER TRIBE RESERVATIONS AND TRIBAL PROPERTIES
DRAFT 12/4/2020
STETSON ENGINEERS INC
0 1 2 Miles

FIGURE 6

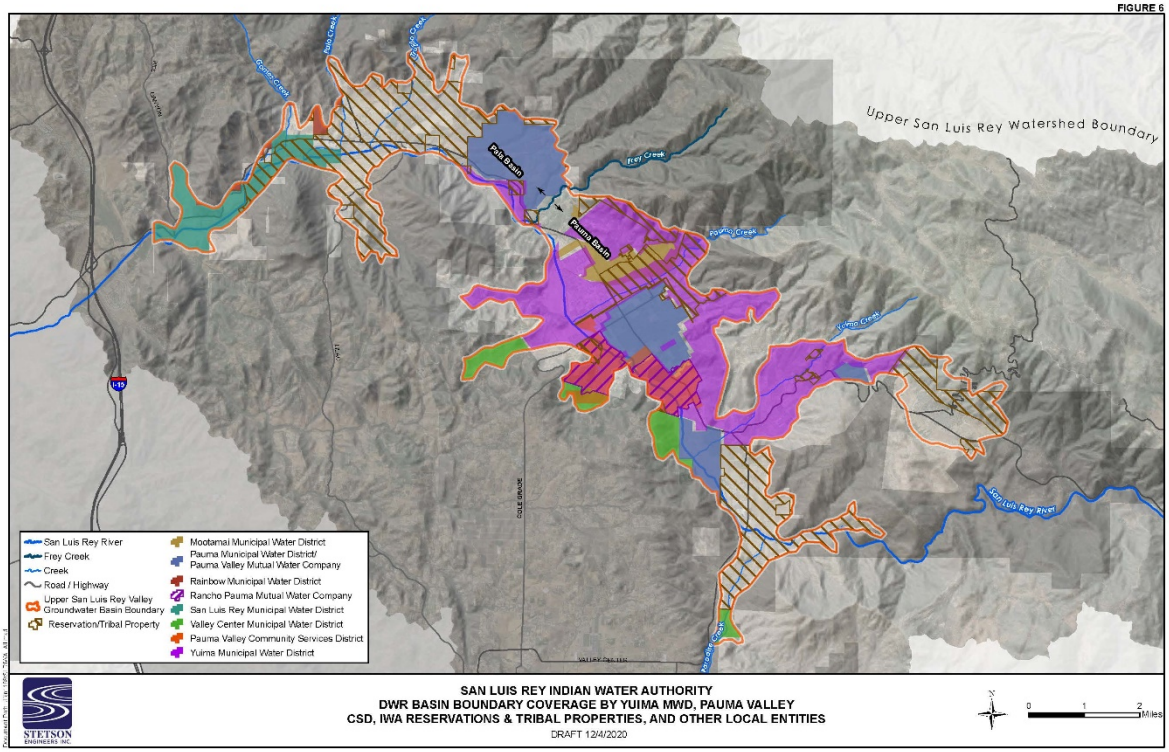

Upper San Luis Rey Watershed Boundary
Pala Basin
Pauma Basin
Frey Creek
Pala Creek
Pauma Creek
Yuima Creek
San Luis Rey River
Agua Tibia Creek
Gopher Canyon
Cole Grade
I-15
San Luis Rey River
Frey Creek
Creek
Road / Highway
Upper San Luis Rey Valley Groundwater Basin Boundary
Reservation/Tribal Property
Mootamai Municipal Water District
Pauma Municipal Water District/ Pauma Valley Mutual Water Company
Rainbow Municipal Water District
Rancho Pauma Mutual Water Company
San Luis Rey Municipal Water District
Valley Center Municipal Water District
Pauma Valley Community Services District
Yuima Municipal Water District
STETSON ENGINEERS INC.
SAN LUIS REY INDIAN WATER AUTHORITY
DWR BASIN BOUNDARY COVERAGE BY YUIMA MWD, PAUMA VALLEY CSD, IWA RESERVATIONS & TRIBAL PROPERTIES, AND OTHER LOCAL ENTITIES
DRAFT 12/4/2020
0 1 2 Miles

Table 1
San Luis Rey Indian Water Authority
Summary of Jurisdictional Coverage by Member Tribes, GSA Members, & Local Entities
Upper San Luis Rey Valley Basin

Entity Name	Jurisdictional Area within the Upper San Luis Rey Valley Basin (acres)	Percent Coverage of the Upper San Luis Rey Valley Basin[1]
San Luis Rey Indian Water Authority Member Tribes		
Pala Band (Reservation Land & Fee Land/Tribal Property)	4,376	22.7%
Pauma/Yuima Band (Reservation Land & Fee Land/Tribal Property)	450	2.3%
La Jolla Band (Reservation Land & Fee Land/Tribal Property)	831	4.3%
Rincon Band (Reservation Land & Fee Land/Tribal Property)	1,577	8.2%
Total	**7,235**	**37.6%**
Current GSA Members, excluding Upper San Luis Rey Resource Conservation District		
Yuima Municipal Water District	6,770	35.2%
Pauma Valley Community Services District	1,120	5.8%
Total[2]	**7,050**	**36.6%**
Upper San Luis Rey Resource Conservation District[3]		
Total jurisdictional boundary within the Upper San Luis Rey Basin	17,025	88.4%
Total jurisdictional boundary within the Upper San Luis Rey Basin (minus member tribe reservations & tribal properties)	9,880	51.3%
Total Basin Coverage by Yuima MWD, Pauma Valley CSD, and Upper San Luis Rey RCD[2]	**17,363**	**90.2%**
Other Local Water Entities		
Mootamai Municipal Water District	657	3.4%
Pauma Municipal Water District[4]	2,955	15.3%
Pauma Mutual Water Company[4]	2,955	15.3%
Rainbow Municipal Water District	94	0.5%
Rancho Pauma Mutual Water Company	929	4.8%
San Luis Rey Municipal Water District	1,183	6.1%
Valley Center Municipal Water District	760	3.9%
Total	**6,578**	**34.2%**
Area not Covered by the Member Tribes, GSA Members, Upper San Luis Rey RCD, or Other Local Water Entities		
Total	**668**	**3.5%**

Notes

1) Upper San Luis Rey Valley Basin consists of **19,254 acres** of land, per DWR Basin Prioritization Report dated September 2019.

2) Due to overlapping jurisdictions among the current GSA members, total coverage by the current GSA is less than the combined coverage by each current GSA member individually.

3) The Upper San Luis Rey Resource Conservation District coverage areas provided in this table (and in the figures) represent jurisdictional boundaries within the Basin, **not** the sphere of influence.

4) Jurisdictions of Pauma MWD and Pauma Mutual Water Company are predominantly overlapping.

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Letter No. 4

Direct Dial: (714) 338-1882
E-mail: jjungreis@rutan.com

December 17, 2020

VIA E-MAIL AND
FIRST CLASS MAIL

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

Dear Mr. Simonds:

This letter is submitted on behalf of the three members of the Pauma Valley Groundwater Sustainability Agency ("PVGSA"[1]), Yuima Municipal Water District ("Yuima"), Pauma Valley Community Services District ("PVCSD"), and the Upper San Luis Rey Resource Conservation District ("USLRRCD"). We write to thank LAFCO staff for the professional and thorough job that LAFCO staff did in conducting and presenting to the Commission on December 7, 2020, the recent Municipal Service Review ("MSR") for Resource Conservation Districts ("RCDs") in San Diego County. Our agencies appreciated the opportunity to provide input to the Commission regarding USLRRCD, a water and riparian habitat management agency which farmers and other local agencies in the San Luis Rey Valley greatly rely upon

We also write to address what our agencies would contend are inaccurate statements made by legal counsel for the San Luis Rey Indian Water Authority ("SLRIWA"), and the General Manager of the Rainbow Municipal Water District [2]("RMWD"). We briefly address some of those assertions below.

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[1] PVGSA was formed in 2017 by memorandum of understanding ("MOU") per the requirements of the Sustainable Groundwater Management Act ("SGMA"). The primary purpose of the PVGSA is to ensure that groundwater in the Upper San Luis Rey is sustainably managed—in order to protect a diverse array of current and future uses in the Upper San Luis Rey Valley. All three current members of the PVGSA are original signatories to the 2017 MOU that created the GSA.

[2] RMWD's comments were puzzling for our agencies. RMWD exercises no LAFCO approved groundwater management functions itself and only has approximately ten acres (out of over 19,000) within its service area that overlie the Upper San Luis Rey Valley Sub-Basin, and that portion was only added at the behest of SLRIWA earlier this year. Thus, RMWD overlies a tiny fragment of the Sub-Basin (.0005%), in a portion of the Sub-Basin that has no groundwater production. Thus, it is difficult to understand why RMWD would actively seek to prevent USLRRCD and PVGSA from developing a Groundwater Sustainability Plan ("GSP") that ensures

USLRRCD Has Ample Authority to Manage Groundwater Under the Sustainable Groundwater Management Act ("SGMA")

PVGSA is well on its way to developing a legally compliant and protective GSP that will be timely submitted to DWR—as SGMA requires—before January 2022. The GSP will address all of the required elements identified in the SGMA GSP regulations, and contrary to SLRIWA's contentions, the GSP will fully respect Federal Reserved Water Rights ("FRWR").[3] SLRIWA and Mr. Kennedy contended before the Commission on December 7 that USLRRCD does not have authority as a "local agency"[4] to manage groundwater per SGMA—their reasons for so asserting are not entirely clear. However, as the State Water Resources Control Board has opined on at least two occasions in opinion letters to Sonoma County RCD and Eastern Kern County RCD, letters attached hereto as Exhibit 1, RCDs, much like other local agencies that have not heretofore directly managed groundwater (such as municipal water districts like RMWD), have under their organic statutes the legal authority to manage groundwater for purposes of SGMA. SGMA provides the authority—provided the local agency has statutory authority under its organic act to engage in water management.

Wastewater and stormwater agencies, like RCDs, have statutory authority to manage water; as such the SWRCB has opined that they too meet the criteria under SGMA to become a GSA, individually or in combination with other SGMA eligible local agencies. No LAFCO action is needed. Indeed, we are aware of no instance since the passage of SGMA where a LAFCO "activated" a latent groundwater management power for any special district, while in the meantime hundreds of such agencies have elected to become GSAs. If the organic statute provides authority to manage water, and the RCD Act clearly does per the SWRCB, then a special district, such as USLRRCD is GSA eligible.

RCDs, with similar functions and current management activities as USLRRCD, are managing groundwater basins per SGMA throughout California. RCDs currently serve as GSAs, individually or in combination with other agencies, in Santa Rosa (Gold Ridge RCD), Kern County (East Kern County RCD), Sonoma County (Sonoma County RCD), Amador County (Sloughhouse RCD), Dixon (Solano County RCD), and Santa Barbara County (Cachuma RCD), and there are

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sustainable groundwater management for all users in the Sub-Basin while at the same time ensuring local control of groundwater resources in the Upper San Luis Rey.

[3] PVGSA will not, however, adjudicate or seek to quantify the FRWR asserted by the Tribes, which the SLRIWA contends is the entire flow and all groundwater resources of the San Luis Rey River below Henshaw Dam. PVGSA has no power to do so, and the USLRIWA knows this. Adjudication of FRWR and other asserted water rights is the job of a court, not a GSA. Indeed, SGMA specifically cautions that SGMA does not change or otherwise modify whatever water rights a groundwater producer claims to have.

[4] Per SGMA, Water Code Sections 10721(n) and 10723(a), only a local agency with water management, water supply, or land use authority is eligible to elect to become a GSA.

no doubt others. None have had local LAFCOs "activate" water management authorities, and all perform similar functions as USLRRCD.

Moreover, USLRRCD clearly engages in "water management" activity within its service area, and it has done so for a very long time. The MSR correctly observes that USLRRCD actively engages in water conservation activities and education (water management), manages conservation easements to create and sustain riparian habitat in the San Luis Rey riverbed (water management), and educates farmers in the USLR on matters related to preventing runoff from their farms that can lead to water quality problems in the groundwater and the San Luis Rey River (water management). All of these things are in addition to USLRRCD acting as part of a GSA in the Upper San Luis Rey, until recently without objection, since 2017.

SLRIWA Has Repeatedly Been Asked to Join the PVGSA in Whatever Manner It Feels Comfortable Participating

The SLRIWA has repeatedly been asked to join PVGSA, as a voting or non-voting member, and it has repeatedly declined to do so—based upon its assertion that the GSA is invalid. However in the spirit of SGMA and ensuring that Tribal stakeholders of the Upper San Luis Rey have a robust voice in the SGMA process in the Upper San Luis Rey, PVGSA will continue to invite Tribal representatives to all meetings of the PVGSA Executive Team. Moreover, the joint powers authority ("JPA") that the current members of PVGSA are working to form will have two voting seats dedicated to Tribal representatives if the SLRIWA is willing to participate in the JPA. The door is wide open for Tribal participation. They need only walk through it.

We are happy to provide any additional information you would find helpful to LAFCO in concluding the well done and thoughtful initial draft of the MSR for RCDs.

Sincerely,

Amy Reed

Amy Reed
Interim General Manager
Yuima Municipal Water District
Lead Agency - Pauma Valley GSA

cc: LAFCO Board of Directors
Ms. Linda Heckenkamp

2629/029851-0003
15901267.1 a12/17/20

CALIFORNIA Water Boards

EDMUND G. BROWN JR. GOVERNOR

MATTHEW RODRIQUEZ SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

June 22, 2016

Mr. Don J. McKernan
President
Eastern Kern County Resource
Conservation District
300 South Richmond Road
Ridgecrest, CA 93555

Dear Mr. McKernan:

I am responding to your request of May 13, 2016, for advice from the State Water Resources Control Board (State Water Board) regarding the eligibility of Eastern Kern County Resource Conservation District to serve as a groundwater sustainability agency pursuant to the terms of the Sustainable Groundwater Management Act, Water Code section 10750, et seq.

Definition of "Local Agency"

Any local agency or combination of local agencies overlying a groundwater basin may decide to become a groundwater sustainability agency for that basin. (Wat. Code, § 10723, subd. (a).) A "local agency" is defined by the Act as a "local public agency that has water supply, water management, or land use responsibilities within a groundwater basin." (Wat. Code, § 10721, subd. (n).)

As you know, resource conservation districts are locally governed special districts. They are considered agencies of the state only for the purpose of contracting with other state agencies. (Pub. Res. Code, § 9003.) The formation of a resource conservation districts must be locally proposed and locally approved. (Pub. Res. Code, §§ 9161-68, 9181, & 9182.) The legislature has also characterized resource conservation districts as local public agencies or local government entities in several different statutory contexts.[1]

Resource conservation districts are non-regulatory agencies with planning, management, operation, and informational functions. A resource conservation district may be formed for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities. (Pub. Res. Code, § 9151.) Resource conservation districts are authorized to make improvements or conduct operations in furtherance of the prevention or control of soil erosion, water conservation and distribution,

[1] See Delta Protection Act of 1992 (Pub. Res. Code, §29724), Rangeland, Grazing Land, and Grassland Protection Act (Pub. Res. Code, § 10332), Fish and Wildlife Habitat Enhancement Act of 1984 (Fish & Game Code, § 2602, subd. (c)), and the Agricultural Protection Planning Grant Program (Pub. Res. Code, § 10280.5, subd. (e)).

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

RECYCLED PAPER

agricultural enhancement, wildlife enhancement, and erosion stabilization. (Pub. Res. Code, § 9409.) The districts are also specifically authorized to disseminate information relating to soil and water conservation and erosion stabilization, (Pub. Res. Code, § 9411), and to manage any soil conservation, water conservation, water distribution, flood control, erosion prevention, or erosion stabilization project located within the district, (Pub. Res. Code, § 9415).

With your inquiry, you attached several documents as evidence of the water management functions of Eastern Kern County Resource Conservation District, indicating that the District is vested with the full range of functions authorized by the Public Resources Code.

Probationary Status and Reporting Requirements

The State Water Board is authorized by the Sustainable Groundwater Management Act to designate a basin as probationary if the board finds that none of the following have occurred after June 30, 2017: (A) a local agency has elected to be a groundwater sustainability agency that intends to develop a groundwater sustainability plan for the entire basin; (B) a collection of local agencies has formed a groundwater sustainability agency or prepared agreements to develop one or more groundwater sustainability plans that will collectively serve as a groundwater sustainability plan for the entire basin; or (C) a local agency has submitted an alternative that has been approved or is pending approval pursuant to section 10733.6. (Wat. Code, § 10735.2, subd. (a)(1).)

The State Water Board considers Eastern Kern County Resource Conservation District to be a local agency for purposes of Water Code section 10735.2, based on the documentation that you provided to us. Therefore, the board would not designate a basin as probationary under Water Code section 10735.2, subdivision (a)(1), if Eastern Kern County Resource Conservation District, or a collection of local agencies that includes Eastern Kern County Resource Conservation District, has satisfied one of the three conditions described.

In addition, the State Water Board would not consider the reporting requirements of Water Code section 5202, subdivision (a)(2), to apply to a person who extracts groundwater within the management area of Eastern Kern County Resource Conservation District, if the District assumed responsibility to be a groundwater sustainability agency.

This letter offers a non-binding, advisory opinion. It is not a declaratory decision and does not bind the State Water Board in any future determination.

Sincerely,

Erik Ekdahl
Director, Office of Research , Planning, and Performance

cc: Via Email
David Gutierrez
Department of Water Resources

CALIFORNIA Water Boards

EDMUND G. BROWN JR. GOVERNOR

MATTHEW RODRIQUEZ SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

April 12, 2016

Ms. Kara Heckert
Executive Director
Sonoma Resource Conservation District
1221 Farmers Lane, Suite F
Santa Rosa, CA 95405

Dear Ms. Heckert:

I am responding to your request of March 16, 2016, for advice from the State Water Resources Control Board (State Water Board) regarding the eligibility of Sonoma Resource Conservation District to serve as a groundwater sustainability agency pursuant to the terms of the Sustainable Groundwater Management Act, Water Code section 10750, et seq.

Definition of "Local Agency"

Any local agency or combination of local agencies overlying a groundwater basin may decide to become a groundwater sustainability agency for that basin. (Wat. Code, § 10723, subd. (a).) A "local agency" is defined by the Act as a "local public agency that has water supply, water management, or land use responsibilities within a groundwater basin." (Wat. Code, § 10721, subd. (n).)

As you know, resource conservation districts are locally governed special districts. They are considered agencies of the state only for the purpose of contracting with other state agencies. (Pub. Res. Code, § 9003.) The formation of a resource conservation districts must be locally proposed and locally approved. (Pub. Res. Code, §§ 9161-68, 9181, & 9182.) The legislature has also characterized resource conservation districts as local public agencies or local government entities in several different statutory contexts.[1]

Resource conservation districts are non-regulatory agencies with planning, management, operation, and informational functions. A resource conservation district may be formed for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities. (Pub. Res. Code, § 9151.) Resource conservation districts are authorized to make improvements or conduct operations in furtherance of the prevention or control of soil erosion, water conservation and distribution, agricultural enhancement, wildlife enhancement, and erosion stabilization. (Pub. Res. Code, §

[1] See Delta Protection Act of 1992 (Pub. Res. Code, §29724), Rangeland, Grazing Land, and Grassland Protection Act (Pub. Res. Code, § 10332), Fish and Wildlife Habitat Enhancement Act of 1984 (Fish & Game Code, § 2602, subd. (c)), and the Agricultural Protection Planning Grant Program (Pub. Res. Code, § 10280.5, subd. (e)).

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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RECYCLED PAPER

9409.) The districts are also specifically authorized to disseminate information relating to soil and water conservation and erosion stabilization, (Pub. Res. Code, § 9411), and to manage any soil conservation, water conservation, water distribution, flood control, erosion prevention, or erosion stabilization project located within the district, (Pub. Res. Code, § 9415).

Probationary Status and Reporting Requirements

The State Water Board is authorized by the Sustainable Groundwater Management Act to designate a basin as probationary if the board finds that none of the following have occurred after June 30, 2017: (A) a local agency has elected to be a groundwater sustainability agency that intends to develop a groundwater sustainability plan for the entire basin; (B) a collection of local agencies has formed a groundwater sustainability agency or prepared agreements to develop one or more groundwater sustainability plans that will collectively serve as a groundwater sustainability plan for the entire basin; or (C) a local agency has submitted an alternative that has been approved or is pending approval pursuant to section 10733.6. (Wat. Code, § 10735.2, subd. (a)(1).)

The State Water Board considers Sonoma Resource Conservation District to be a local agency for purposes of Water Code section 10735.2, absent evidence that the District is not vested with the full range of functions authorized by the Public Resources Code. Therefore, the State Water Board would not designate a basin as probationary under Water Code section 10735.2, subdivision (a)(1), if Sonoma Resource Conservation District, or a collection of local agencies that includes Sonoma Resource Conservation District, has satisfied one of the three conditions described.

In addition, the State Water Board would not consider the reporting requirements of Water Code section 5202, subdivision (a)(2), to apply to a person who extracts groundwater within the management area of Sonoma Resource Conservation District, if the District assumed responsibility to be a groundwater sustainability agency.

This letter offers a non-binding, advisory opinion. It is not a declaratory decision and does not bind the State Water Board in any future determination.

Sincerely,

Erik Ekdahl
Director, Office of Research, Planning, and Performance

cc: VIA E-mail
David Gutierrez
Department of Water Resources

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Letter No. 5

RESOURCE CONSERVATION DISTRICT
Greater San Diego County

FIRE SAFE COUNCIL
of San Diego County

January 8, 2021

Keene Simonds
Local Agency Formation Commission (LAFCO)
9335 Hazard Way, Suite 200
San Diego, CA 92123

Re: Our Client: Resource Conservation District of Greater San Diego County
Issue: Mission Resource Conservation District's Extraterritorial Services

Dear Mr. Simonds:

The purpose of this letter is to address several issues between the Resource Conservation District of Greater San Diego County ("RCD") and Mission Resource Conservation District ("Mission"). Therefore, if you have any questions, please do not hesitate to contact the undersigned.

First, and most importantly, San Diego Local Agency Formation Commission ("LAFCO") should be aware that Mission continues to perform extraterritorial services within the boundaries of RCD, without consent or approval of LAFCO in violation of California Government Code, section 56133.

Section 56133 provides LAFCO with the authority to determine whether a district may offer services outside its boundaries without complying with section 56133. Each subdivision authorizes LAFCO to make the final determination:

> (a): A…district may provide new or extended services by contract or agreement outside its jurisdictional boundaries…only if it first requests and receives written approval from [LAFCO].

In addition, Government Code, section 56113, subdivision (e) provides as follows:

> This section does not apply to an extended service that a district was providing on or before January 1, 2001.

In addressing the exclusionary language of section 56133, it should be noted that all of the extraterritorial services being offered by Mission within the boundaries of RCD were contracted for after January 1, 2001. Therefore, the requirements of the section are mandatory and shall be complied with by Mission.

In order to resolve this ongoing issue, RCD has made several requests that Mission cease and desist providing services within its boundaries. However, Mission has failed to comply with

Resource Conservation District of Greater San Diego County | Fire Safe Council of San Diego County
11769 Waterhill Road, Lakeside, CA 92040 | Phone: 619.562.0096 | Fax: 619.562.4799
www.rcdsandiego.org | www.firesafesdcounty.org

these reasonable requests. Accordingly, RCD seeks the assistance of LAFCO to address the issue and violation of the Government Code.

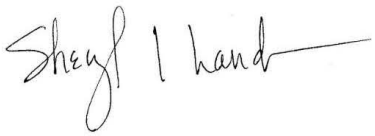
Mission has also taken the position that it is uniquely qualified to provide the services being offered to certain water districts within the boundaries of RCD. This is simply factually incorrect. RCD is well equipped to provide the same services to said water districts. RCD has the experience and expertise to offer such services. RCD also has the existing staff to immediately undertake the contractual duties and responsibilities and fulfill the needs of these water districts.

The third issue we would like to address is that Mission has taken the position they have enforceable MOUs with RCD. This is again not the case. I have enclosed copies of the Notices of Rescission sent to Mission providing that any active MOUs by and between Mission and RCD have been rescinded for cause. You will see from the content of the notices that the rationale for rescinding the MOUs is based upon Mission's refusal to cease providing unauthorized services within the boundaries of RCD. At this time, Mission does not have the authority to continue to provide services under the subject MOUs.

Finally, it is our understanding that Mission has taken the position that in the event it is not allowed or authorized to operate within the boundaries of RCD, resulting in a decrease in its gross revenue, then it will no longer be economically viable. Under these circumstances and in light of the fact that Mission continues to violate the Government Code, RCD proposes a merger between RCD and Mission with RCD acting as the lead agency. Under these circumstances, RCD would move forward and annex the jurisdictional area currently serviced by Mission.

In light of the above, it is requested that these issues be agendized by LAFCO and addressed by its commission. In the meantime, if you have any questions, please contact me.

Sincerely,



Sheryl Landrum

Sheryl Landrum, Executive Director,
Resource Conservation District of Greater
San Diego County
Vice President, Fire Safe Council of
San Diego County
Sheryl.landrum@rcdsandiego.org

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Letter No. 6

January 20, 2021

Keene Simmonds, *Executive Director*
San Diego County Local Agency Formation Commission
9335 Hazard Way, Suite 200
San Diego, Ca 92123

Subject – **Draft MSR, San Diego County Resource Conservation Districts**

Dear Keene;

First, we want to thank you for the opportunity to review the Draft MSR for the San Diego County Resource Conservation Districts (RCDs). As you prefaced earlier, RCD issues are complex and in need of long-term solutions. However, based upon our understanding of the Draft MSR recommendations, it is the interim period for which there is great concern among the Mission Resource District's client wholesale and retail water agencies.

Wisely, your Draft MSR does not recommend any immediate measures, such as reorganization of the county's three remaining RCDs; rather, it recommends a long-term study process to develop well thought out solutions. However, the near and mid-term impact of the recommendations, combined with the March 4, 2019 Cease and Desist Order, is to prohibit the Mission Resource Conservation District (MRCD) from operating outside its boundary for the interim study period.

This means that MRCD's ability to perform landscape audits, on-site agricultural evaluations or provide technical assistance would be limited; in addition, access to federal funding through the National Resources Conservation Service (NRCS) for growers could also be limited. Without a current and established alternative service provider, growers in a large swath of the county will be left without access to the technical and financial assistance so critical to the survival of San Diego County Agriculture. As is reflected in the Draft MSR, neither Greater San Diego nor Upper San Luis Rey RCD provide these types of services.

Further, with MRCD unable to fulfill its long-standing contractual obligations it will likely be harmed financially as it is very dependent on contract revenues that it has successfully pursued and secured over the years. If financially weakened, MRCD may be unable to retain the staff expertise and organizational structure which might play a key role in the long-term solutions ultimately developed by LAFCO.

We recommended at the December 7, 2020 LAFCO meeting that as the long-term process moves forward, MRCD should be able to continue to provide its essential services to San Diego County Agriculture until conclusion of the study process, or at least until an alternative service provider of demonstrated equal or better quality is identified.

Again, we want to thank you for the opportunity to comment. We trust that SD LAFCO will come up with effective long-term RCD organizational and governance solutions while preserving the interim provision of critical public services by the Mission Resource Conservation District.

Sincerely, the undersigned public water agencies;

San Diego County Water Authority

Sandra Kerl
General Manager

City of Escondido Water Utilities

Chris McKinney
Director of Utilities

City of Oceanside Water Utilities

Cari Dale
Water Utilities Director

Rainbow Municipal Water District

Tom Kennedy
General Manager

Rincon del Diablo Municipal Water District

Clint Baze
General Manager

Vallecitos Municipal Water District

Glenn Pruim
General Manager

Valley Center Municipal Water District

Gary Arant
General Manager

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Letter No. 7

January 22, 2021

San Diego LAFCO

Re: San Diego LAFCO's Municipal Service Review of RCDs

Dear LAFCO Municipal Service Review Committee,

Thank you for taking the time to review the Resource Conservation Districts (RCDs) currently providing services in San Diego County and preparing such a thorough report. We appreciate that you take your mission seriously to build stronger Special Districts in San Diego County.

As Executive Director of the California Association of Resource Conservation Districts (CARCD), I want to support your reference to the outdated Division 9 code in the draft Municipal Service Review. You are correct that the code has not been significantly updated since the 1960s.

The 1960 version of the code does adequately reflect the core mission of the RCDs. RCDs were created in the 1930s to help communities (particularly ag communities) solve critical conservation challenges- specifically the Dust Bowl crisis. While the core mission of RCDs has not changed since then (they are still focused on serving their communities in relation to conservation, soil, and water) the context in which we work has changed greatly. California is facing critical conservation issues that simply didn't exist when the code was written. In addition, the urban environment has grown significantly and now encompasses more agriculture and conservation concerns (like monarch decline). As a great example, San Diego County has more small, urban farmers than any other county in the nation while remaining critical to Western Monarch overwintering habitat. Neither of these issues was significant in 1960.

The RCDs are addressing 2020's conservation and agriculture challenges and are working hard to solve them. While their work is still in compliance with Division 9, the code does not directly reference the new environmental challenges California faces like endangered species, climate change, carbon emissions from built and natural environments, fire storms, declining biodiversity, and conservation of ag land. These are issues that conservation districts across California and the United States are addressing under their mission of conservation, agriculture and community. It is critical and core to the mission of RCDs and the State of California to address 2020's conservation and agricultural challenges.

Code is meant to empower an entity to meet its mission. The current outdated code does not do that. An updated code that reflects the growing conservation and agricultural context would give RCDs the tools they need to be empowered in their mission to meet California's needs.
To this end, CARCD introduced a revision to Division 9 in the form of AB 2303 (Aguiar-Curry) in 2020. The pandemic in 2020 greatly reduced the number of bills that were heard in the California legislature and AB 2303 did not rise to the highest priority. CARCD is in the process of reintroducing the bill in 2021. Legislators are also being asked to limit their bills in 2021. We

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(916) 457-7904 www.carcd.org

have made the case for why this work is critical and have cited the draft MSR as evidence of it's need. We have not heard back officially yet, but hope that it will be introduced as a bill in 2021. If it is not heard, we intend to try again in 2022 when hopefully we will have a normal legislative cycle.

Thank you for your attention to this matter. We appreciate that you share our commitment to strong RCDs and to supporting them with the tools they need (like an updated code) to meet their mission.

Please let me know if you have any questions or if I can be of service in anyway.

Sincerely,

Karen Buhr
Executive Director
California Association of Resource Conservation Districts

California Association of Resource Conservation Districts
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Letter No. 8

CALIFORNIA ASSOCIATION OF RESOURCE CONSERVATION DISTRICTS 75 Years 1945-2020

January 22, 2021

San Diego LAFCO

Re: RCDs participation in Groundwater Sustainability Agencies (GSAs)

As the Executive Director of the California Association of Resource Conservation Districts (CARCD), I want to provide context for Resource Conservation Districts serving in Groundwater Sustainability Agencies (GSAs). It is my opinion that RCDs are well positioned and have the authority to serve on GSAs for the reasons stated below.

First, it is a common practice in California for RCDs to be part of their local GSA. At least 1 (the Sloughhouse RCD) serves as the GSA lead, and at least 10 serve as official members of their GSA. Many more participate in advisory roles and provide both formal and informal input into their local GSAs. For the RCDs to lead or officially be in a formal role, Department of Water Resources approval was required. The public vetting of the formation of GSAs was intense and all actors were scrutinized by both the DWR and local entities. In many cases legal review was completed. This demonstrates that multiple jurisdictions at various levels of government believe that RCDs can and should serve on GSAs.

Second, GSA service falls within the prevue of the RCD enacting code- Division 9 of the Public Resources Code. Division 9 (section 9151) states that "A resource conservation district may be formed pursuant to this division for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities." SIGMA and the GSA plans will directly affect the ability of the RCD to enact this mission and the RCD viewpoint is relevant to creating a groundwater plan that includes an adequate awareness of agriculture and conservation in decisions about water use, distribution and land use. All of these items are directly cited in their code. I believe that this direct connection between Division 9 and GSAs makes RCDs pertinent to the conversation and appropriate to serve on the GSA board.

Given the Division 9 connection to SIGMA and the widespread practice of RCDs serving on boards, I believe that RCDs have the right to do so.

Please let me know if I can be of further assistance or provide further insight.

Sincerely

Karen Buhr

Karen Buhr
Executive Director

California Association of Resource Conservation Districts
801 K Street, MS 14-15, Sacramento, CA 95814
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RESOLUTION NO.___

RESOLUTION OF THE
SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS

MUNICIPAL SERVICE REVIEW ON RESOURCE CONSERVATION DISTRICTS

WHEREAS, the San Diego County Local Agency Formation Commission, hereinafter referred to as the "Commission", is a political subdivision of the State of California with regulatory and planning responsibilities to facilitate orderly growth and development under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible under Government Code Section 56430 to regularly prepare municipal service reviews to independently and comprehensively evaluate the sufficiency of local governmental services to inform its regulatory and other planning activities; and

WHEREAS, the Commission adopted a workplan calendaring projects for 2020-2021; and

WHEREAS, the Commission's Executive Officer and staff prepared a service-specific municipal service review on resource conservation district services consistent with statute and the adopted workplan; and

WHEREAS, the Executive Officer's written report on the municipal service review was presented to the Commission in a manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at public meetings involving the municipal service review on December 7, 2020 and February 1, 2021;

WHEREAS, as part of the municipal service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby finds, determines, and orders the following:

1. The Commission determines this municipal service review is a project under the California Environmental Quality Act but qualifies for an exemption from further action as an informational document consistent with State Guidelines Section 15306.

2. The Commission has duly considered the Executive Officer's written report on the municipal service review and recommendations therein on the availability, need, and adequacy of public services provided by resource conservation districts relative to community needs.

3. The Commission adopts the statement of written determinations generated from information presented in the Executive Officer's written report on the municipal service review as set forth in Exhibit "A."

4. The Commission refers the public to the Executive Officer's written report on the municipal service review for additional details and important context, including – but not limited to – documenting active and latent service powers.

PASSED AND ADOPTED by the Commission on February 1, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

_____
Keene Simonds
Executive Officer

EXHIBIT A

MUNICIPAL SERVICE REVIEW ON RESOURCE CONSERVATION DISTRICTS

STATEMENT OF DETERMINATIONS
GOVERNMENT CODE SECTION 56430

The following statements have been generated from the final report prepared as part of the scheduled municipal service review on resource conservation districts. Abbreviations and/or acronyms, accordingly, are incorporated into the statements below for brevity.

1. With respect to growth and population projections for the affected areas as required under Section 56430(a)(1), the Commission independently determines the following.

   a) San Diego LAFCO independently estimates there are collectively 1,580,806 total fulltime residents within the three affected agencies' jurisdictional boundaries as of the end of the five-year report period. This amount translates to nearly one out of every two residents in San Diego County reside within an RCD.

   b) There is no overlap in residential populations among the three affected agencies with individual agency estimates at the end of the report period as follows:

      i. 123,611 residents in Mission RCD.

      ii. 1,445,460 residents in RCD of Greater San Diego.

      iii. 11,735 residents in Upper San Luis Rey RCD.

   c) San Diego LAFCO estimates the combined annual rate of new fulltime population growth among the three affected agencies region during the five-year report period has been 0.98% and has netted 67,975 new residents. This growth rate is one-fifth higher than the corresponding change for all of San Diego County.

   d) The annual population growth rates among the three affected agencies during the five-year report period have varied with individual agency estimates as follows:

      I. 0.9% annual growth rate in Mission RCD.

      II. 1.0% annual growth rate in RCD of Greater San Diego.

      III. 0.8% annual growth rate in Upper San Luis Rey RCD.

e) The affected agencies' jurisdictional boundaries are relatively rural with an overall average of 1.0 resident for every 1.4 acres. This ratio – however – is contracting and decreased by one-tenth over the five-year report period from 1.0 resident for every 1.5 acres and reflects the changing and increasing development of the region.

f) San Diego LAFCO projects the current population growth rate within the three affected agencies will generally hold over the report timeframe. Should the projection hold, there will be a net increase within the affected agencies of 1.58 million to 1.65 million by 2024 and divided between the following individual agency changes:

   i. 4,938 new residents in Mission RCD with the overall total increasing to 128,549 by 2024.

   ii. 59,574 new residents in RCD of Greater San Diego County with the overall total increasing to 1,505,034 by 2024.

   iii. 469 new residents in Upper San Luis Rey RCD with the overall total increasing to 12,204 by 2024.

g) San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency and incorporate the information into the next scheduled municipal service review.

2. With respect to the location and characteristics of disadvantaged unincorporated communities within the affected areas as required under Section 56430(a)(2), the Commission independently determines the following.

a) All three affected agencies' jurisdictional boundaries include lands qualifying as disadvantaged unincorporated communities or DUCs under San Diego LAFCO policy. The highest ratio lies within RCD of Greater San Diego County with close to three-fifths of its jurisdictional boundary qualifying as DUCs.

b) Only Mission RCD's sphere of influence is adjacent to lands qualifying as DUCs under San Diego LAFCO policy that is not already in another RCD. The affected DUC adjacent to Mission RCD's sphere comprises Marine Corps Base Camp Pendleton.

3. With respect to the capacity of public facilities and infrastructure needs and deficiencies within the affected areas as required under Section 56430(a)(3), the Commission independently determines the following.

a) None of the affected agencies own or maintain substantial capital infrastructure, facilities, or equipment. The agencies instead rely largely on human resources to provide technical assistance and educational services to constituents.

b) All three affected agencies have experienced sizeable increases and/or changes in municipal service demands over the five-year report period and commonly highlighted by each agency expanding activities under their wildlife enhancement function.

c) The increasing focus on activities tied to the affected agencies' wildlife enhancement function parallels societal and political interests to broaden RCD work and expand beyond traditional water conservation and soil erosion/stabilization tasks. It also – pertinently – reflects the related influence of grants on RCD decision-making.

d) The level of information available to San Diego LAFCO at this time is limited to generating a qualified determination the three affected agencies have adequate capacities – and specifically in the form of personnel – to meet existing constituent demands.

e) Additional information and analysis by San Diego LAFCO is needed to further quantify the adequacy of the three affected agencies' capacities – infrastructure, facilities, personnel and the like – to meet current and near-term constituent demands.

f) San Diego LAFCO should proceed and expand on the baseline information collected in this introductory municipal service review and provide a more quantified assessment of the three affected agencies services and related trends.

g) As part of a future municipal service review, San Diego LAFCO should coordinate and solicit input with all three affected agencies in developing performance measurements to help quantify capacity-demand relationships in each jurisdiction.

4. With respect to the financial ability of agencies to provide services within the affected areas as required under Section 56430(a)(4), the Commission independently determines the following.

a) The three affected agencies operate with significantly different financial resources in providing municipal services to their constituents and as such ended the report period in dissimilar financial standings.

b) All three affected agencies are primarily reliant on external revenues sources in the form of grants and other subventions that are increasingly competitive within the region among like-minded agencies and non-profit organizations.

c) The ability of the three affected agencies to fund their municipal service functions through new assessments and taxes appears constrained given current constituent reluctance as evident by the recent trend of failed measures by local special districts.

d) The combined net position of the three affected agencies decreased by (9.4%) from $3.39 million to $3.10 million during the five-year report period.

e) With respect to Mission RCD, its net position has decreased during the five-year report period with an overall change of (22.8%) from $0.513 million to $0.396 million and produces a net loss of $0.117 million.

f) With respect to RCD of Greater San Diego County, its net position has decreased during the five-year report period with an overall change of (8.5%) from $2.6 million to $2.4 million and produces a net loss of $0.218 million.

g) With respect to Upper San Luis Rey RCD, its net position has increased during the five-year report period with an overall change of 17.2% from $0.295 million to $0.346 million and produces a net gain of $0.051 million. Additional details follow.

5. With respect to the status and opportunities therein for shared services within the affected areas as required under Section 56430(a)(5), the Commission independently determines the following.

a) All three affected agencies have established responsive shared resources with other public agencies as well as non-profit organizations in fulfilling their responsibilities to provide specified municipal functions to their respective constituents.

b) All three affected agencies' activities are primarily funded by grants and leverage the agencies' respective expertise in achieving broader policy objectives set by the grantor, typically the State or other regional agency.

c) Mission RCD and RCD of Greater San Diego County dedicate considerable resources in community outreach and education to empower and inspire best practices among constituents with respect to managing natural resources.

d) The technical expertise of all three affected agencies could be further utilized by the County of San Diego and integrated into the permit process involving erosion and sediment control plans for the benefit of shared constituents.

e) Opportunities to share and/or consolidate resources all three affected agencies merit continued attention. Exploring these opportunities is consistent with San Diego LAFCO's standing policy objective to facilitate the logical order and its role to promote efficient services.

6. With respect to accountability and opportunities and merits therein for governance alternatives as required under Section 56430(a)(6), the Commission independently determines the following.

a) All three affected agencies provide value in providing natural resource conservation functions and advantageously contribute to their communities' distinct character.

b) Mission RCD and RCD of Greater San Diego County regularly hold noticed regular meetings and actively maintain websites and in doing so provide meaningful opportunities for timely public engagement with both board and staff.

c) Opportunities for the public to meaningful engage the Upper San Luis Rey RCD and specifically the Board is deficit given the lack of holding regular meetings and limited agenda postings coupled with operating an otherwise barren website.

d) All three affected agencies can enhance their accountability to the public by providing video-recordings of board meetings online in step with their increasingly emphasized roles to educate and disseminate information on resource conservation best practices.

e) All three affected agencies operate under a principal act that has become increasingly antiquated in aligning service powers with current resource conservation practices and interests San Diego LAFCO should work with local legislators to propose a comprehensive rewrite of the RCD principal act and – among other benefits – clarify service function powers relative to current and anticipated community needs.

f) Both Mission RCD and RCD of Greater San Diego County have invested considerable resources in providing services outside their jurisdictional boundaries without receiving approval or exemption from San Diego LAFCO under G.C. Section 56133. It appears most of these non-complaint service activities can be attributed to oversight and unfamiliarity with the statute requirements but nonetheless require correction.

g) All three affected agencies should voluntarily proceed in taking necessary corrective measures to ensure regulatory compliance with San Diego LAFCO and statutory emphasis therein to align municipal services with jurisdictional boundaries.

h) San Diego LAFCO recently issued a cease and desist order to Mission RCD to terminate unauthorized out-of-agency services provided within the boundary and sphere of influence of RCD of Greater San Diego. It is unclear whether Mission RCD has complied with this order and accordingly additional action by LAFCO may be appropriate.

i) Additional analysis is needed to determine Upper San Luis Rey RCD's legal standing under LAFCO statute to provide groundwater management and participate in a GSA.

j) The introductory role of this municipal service review coupled with the immediate need to sync services and boundaries suggest a purposeful pause is merited for proceeding with next level analyses. This includes deferring San Diego LAFCO's evaluation of shared resource opportunities, such as functional and/or political considerations, to the next municipal service review cycle.

k) Proceeding with sphere of influence updates with no changes for all three affected agencies is merited at this time.

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AGENDA REPORT
Public Hearing

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Linda Heckenkamp, Analyst II

SUBJECT: **Proposed Sphere of Influence Updates | Resource Conservation Districts in San Diego County**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approving sphere of influence updates for all three resource conservation districts (RCDs) in San Diego County. The updates are being presented as part of the Commission's five-year study requirement to review and – as needed – make changes to spheres in step with designating the affected agencies' appropriate and near-term service areas. The updates draw on information included in a recently prepared municipal service review and recommends the Commission proceed to affirm all three RCDs' – Mission, Greater San Diego County, and Upper San Luis Rey– spheres without changes.

BACKGROUND

Spheres of Influence

LAFCOs establish and maintain spheres of influence for all cities and most special districts to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions. Recent legislation also now

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Vice Chair Jim Desmond, County of San Diego
Mary Casillas Salas, City of Chula Vista
Chris Cate, City of San Diego
Io MacKenzie, /ista Irrigation
Chair Andy Vanderlaan, General Public
Nora Vargas, County of San Diego
Bill Wells, City of El Cajon
Marni von Wilpert, Alt, City of San Diego
3arry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Escondido
Erin Lump, Alternate, Rincon del Diablo

requires LAFCOs to review all local agencies' spheres every five years and update as appropriate and based on information generated as part of a municipal service review.

Informing Document to Sphere Update | Municipal Service Review on Resource Conservation Districts

San Diego LAFCO recently prepared a municipal service review on the RCDs consistent with the adopted workplan. The municipal service review is expected to be formally acted on ahead of this item and serves as the Commission's independent evaluation of the availability, need, and adequacy of services provided by the three RCDs operating in San Diego County: Mission; Greater San Diego County; and Upper San Luis Rey. The municipal service review – notably – includes several recommendations and this includes the Commission proceeding to affirm all three affected agencies' spheres without changes.

DISCUSSION

This item is for San Diego LAFCO to consider recommendations to approve updates to the spheres of influence for Mission, Greater San Diego County, and Upper San Luis Rey RCDs. The recommendations are drawn from the associated municipal service review recently prepared on RCDs and would affirm the existing designations without changes for all three affected agencies. Sphere descriptions for all three agencies and related details follows.

- **Mission RCD**
  The sphere was established by San Diego LAFCO in 1986 and last affirmed in 2013. The sphere spans approximately 185.2 square miles covering 118,528 acres (parcels and public rights-of-ways) within one contiguous area and an estimated resident population of 123,611. The main population center within the sphere is Fallbrook and Bonsall. The sphere does not include any non-jurisdictional lands. The sphere includes only unincorporated lands that are mostly in semi-rural and general agricultural uses. There are no existing special study areas. Changes to the sphere may be warranted for Mission to better reflect existing and/or needed service activities – including but not limited to expanding into Orange and Riverside Counties – but should be deferred given other priorities identified in the municipal service review. Accordingly, no changes to the sphere are recommended at this time.

- **RCD of Greater San Diego County**
  The sphere was established by San Diego LAFCO in 1995 and last affirmed in 2013. The sphere spans approximately 2,889 square miles covering 1,913,312 acres (parcels and public rights-of-ways) within one contiguous area and an estimated resident population of 1.5 million. The main population center within the sphere is the City of San Diego, although less than one-tenth of the City is within the District's jurisdictional boundary. The sphere is approximately 12.0% larger than the District boundary with the inclusion of 257,247 non-jurisdictional acres that are largely concentered in the Cities of San Diego, Chula Vista, and National City. The sphere does not exclude any existing jurisdictional lands. There are no existing special study areas. Changes to the sphere

may be warranted for Greater San Diego but should be deferred given other priorities identified in the municipal service review. Accordingly, no changes to the sphere are recommended at this time.

- **Upper San Luis Rey RCD**
  The sphere was established by San Diego LAFCO in 1986 and last affirmed in 2013. The sphere spans approximately 402 square miles covering 257,280 acres (parcels and public rights-of-ways) within one contiguous area and an estimated resident population of 11,735. The main population center within the sphere is Pauma Valley and Rincon. The sphere includes approximately 30,715 non-jurisdictional acres. The sphere is entirely comprised of unincorporated lands that are largely in semi-rural and agricultural uses. There are no existing special study areas. Changes to the sphere may be warranted for Upper San Luis Rey but should be deferred given other priorities identified in the municipal service review. Accordingly, no changes to the sphere are recommended at this time.

ANALYSIS

Proceeding with updates to affirm all three RCDs' spheres without changes is appropriate and serves to maintain baseline growth expectations where only boundary expansions (i.e. annexations) are contemplated for Greater San Diego County. The other two RCDs – Mission and Upper San Luis Rey – have largely coterminous sphere designations and therefore are not expected to expand in the immediate future. Proceeding to affirm the baseline is consistent with the recommendation of the associated municipal service review and prioritizes resources for the Commission to have a complete and accurate accounting of the location of the agencies' services in relationship to their current jurisdictional boundaries and spheres.

RECOMMENDATION

It is recommended San Diego LAFCO approve updates to affirm without changes the spheres of influence for Mission, Greater San Diego County, and Upper San Luis Rey RCDs. This recommendation is consistent with Alternative One as outlined in the succeeding section.

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):
Adopt the draft resolution provided as Attachment One approving updates to affirm all three affected special districts' spheres without changes.

Alternative Two:
Continue the item and request additional information from staff as needed.

PROCEDURES FOR CONSIDERATION

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

1) Receive verbal presentation from staff unless waived.
2) Initial questions or clarifications from the Commission.
3) Open the hearing and invite comments in the following order:
   - representatives from the affected agencies
   - other interested parties and the general public
4) Discuss item and consider the staff recommendation.

On behalf of the Executive Officer,

Linda Heckenkamp

Linda Heckenkamp
Analyst II

Attachment:

1) Draft Resolution Approving Updates to Affirm Existing Spheres
   - Map of Mission Resource Conservation District Shown as Exhibit B
   - Map of Resource Conservation District of Greater San Diego County as Shown as Exhibit C
   - Map of Upper San Luis Rey Resource Conservation District Shown as District D

RESOLUTION NO.

RESOLUTION OF THE
SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS

SPHERE OF INFLUENCE UPDATES
MISSION RESOURCE CONSERVATION DISTRICT
RESOURCE CONSERVATION DISTRICT OF GREATER SAN DIEGO
UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT

WHEREAS, the San Diego County Local Agency Formation Commission, herein after referred to as the "Commission", is a political subdivision of the State of California with regulatory and planning responsibilities to facilitate orderly growth and development under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible under Government Code Section 56425 to establish spheres of influence for all local agencies under Commission oversight with the added statutory directive that all jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions; and

WHEREAS, the Commission is also responsible under Government Code Section 56425 to review and update all local agencies' spheres of influence every five years as necessary; and

WHEREAS, the Commission completed a municipal service review on the resource conservation districts in San Diego County consistent with statute and includes Mission Resource Conservation District, Resource Conservation District of Greater San Diego County, and Upper San Luis Rey Conservation District, hereafter referred as the "affected agencies"; and

WHEREAS, the municipal service review on the resource conservation districts serves as the informing document for the Commission to proceed with sphere of influence updates for the affected agencies; and

WHEREAS, the Executive Officer's written report and recommendations on sphere of influence updates for the affected agencies was presented to the Commission in a manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting concerning the sphere of influence updates on the affected agencies on February 1st, 2021;

WHEREAS, as part of the sphere of influence update process, the Commission is required pursuant to Government Code Section 56425(e) to make a statement of written determinations with regards to certain factors.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby finds, determines, and orders the following:

1. The Commission determines the sphere of influence updates for the affected agencies represents a project under the California Environmental Quality Act but exempt from further review under the "general rule" provided under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres of influence are planning policies and any establishments, amendments, or updates do not make any changes to the environment or authorize any new uses or services.

2. The Commission has considered the Executive Officer's written report on the sphere of influence updates and recommendations therein for the affected agencies.

3. The Commission makes the statements set forth in Exhibit "A" in determining the spheres of influence for the affected agencies.

4. The Commission APPROVES updates for the affected agencies to affirm with no changes to the existing sphere of influence designations. Further:

    a) The updated sphere of influence for Mission Resource Conservation District is affirmed with no changes as shown as Exhibit "B".

    b) The updated sphere of influence for Resource Conservation District of Greater San Diego County is affirmed with no changes as shown as Exhibit "C".

    c) The updated sphere of influence for Upper San Luis Rey Conservation District is affirmed with no changes as shown as Exhibit "D".

PASSED AND ADOPTED by the Commission on February 1st, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

_____
TAMARON LUCKETT
Executive Assistant

EXHIBIT A

SPHERE OF INFLUENCE UPDATES
MISSION RESOURCE CONSERVATION DISTRICT
RESOURCE CONSERVATION DISTRICT OF GREATER SAN DIEGO
UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT

STATEMENT OF DETERMINATIONS
GOVERNMENT CODE SECTION 56425

1. With respect to present and planned land uses in the areas as required under Section 56425(e)(1), the Commission independently determines the following.

    a) Mission RCD and Upper San Luis Rey RCD's existing spheres of influence are entirely unincorporated and mostly comprise rural residential and commercial agriculture. Land uses within the RCD of Greater San Diego County include greater land use variety and include both unincorporated and incorporated territory. Affirmation of the existing spheres of influence for all three agencies is consistent and/or otherwise compatible with these land uses.

2. With respect to present and probable need for public facilities and services in the area as required under Section 56425(e)(2), the Commission independently determines the following.

    a) All three agencies – Mission RCD, RCD of Greater San Diego, and Upper San Luis Rey RCD – provide one or more natural resource functions (agricultural enhancement, erosion stabilization, soil erosion, water conservation, water distribution, and wildlife enhancement) consistent with community needs. Affirmation of the existing spheres of influence for all three agencies is consistent and/or otherwise compatible with these needs.

3. With respect to present capacity of public facilities and adequacy of public services the agencies' provide or are authorized to provide as required under Section 56425(e)(3), the Commission independently determines the following.

    a) A comprehensive evaluation of the municipal functions provided by all three affected agencies and adequacy therein has been separately prepared by the Commission as part of a municipal service review. The Commission relies on the municipal service review in making all related sphere of influence determinations for the affected agencies.

4. With respect to the existence of any relevant social or economic community of interest in the area as required under Section 56425(e)(4), the Commission independently determines the following.

    a) All three affected agencies have established distinct social and economic communities of interests within their respective spheres of influence that affirmatively reflect and respond to local service needs and priorities of the public. Affirmation of the existing spheres of influence for all three agencies reaffirms these existing communities of interests.

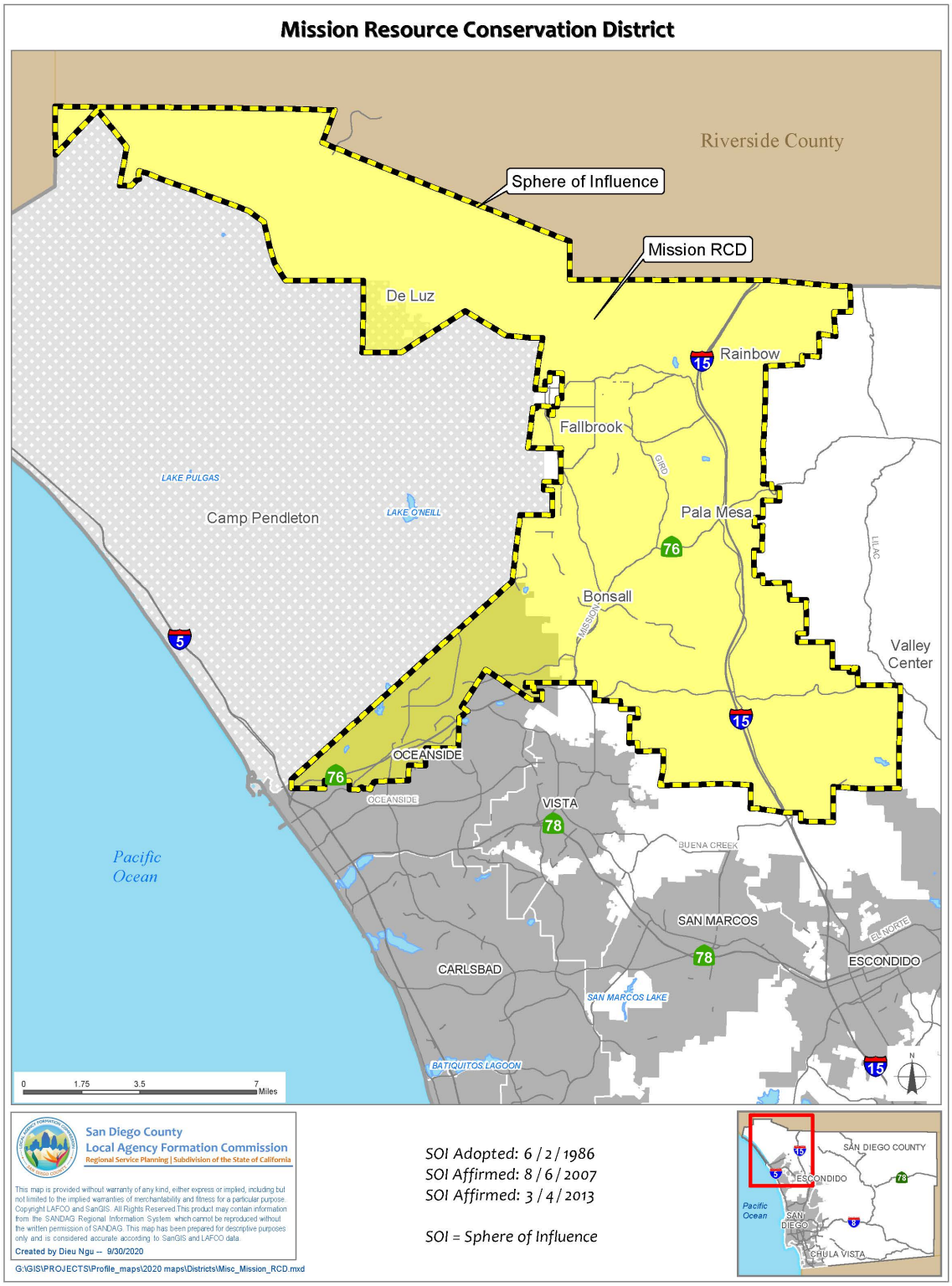
5. With respect to the present and probable need for public water, sewer, and fire protection services of any disadvantaged unincorporated communities within or adjacent to the sphere as

required under Section 56425(e)(5), the Commission independently determines the following.

a) There are no areas within the existing spheres of influence for all three affected agencies that qualify as disadvantaged unincorporated communities under State and local policy. Affirming the spheres will not impact existing disadvantaged unincorporated communities in San Diego County.

EXHIBIT B

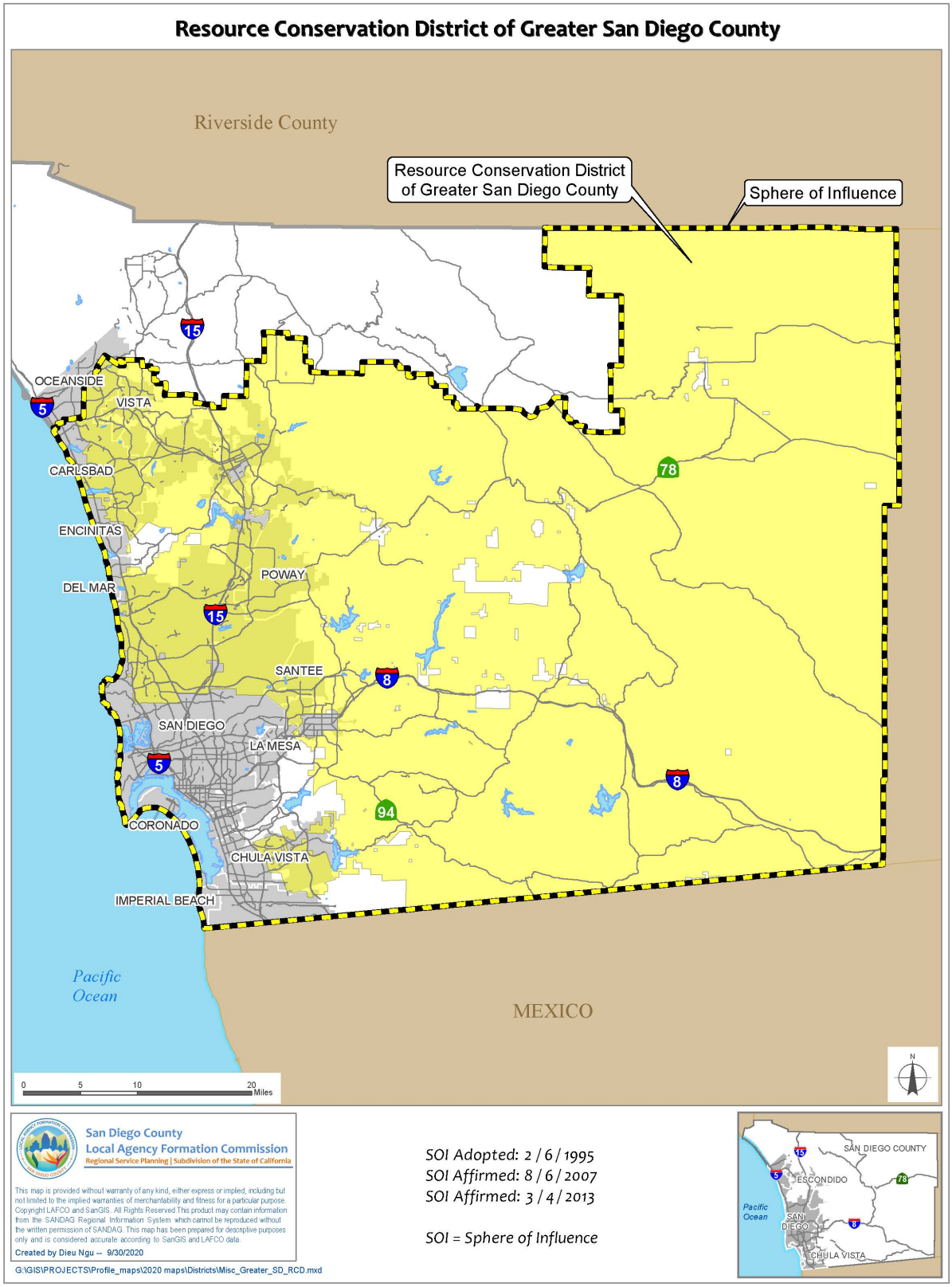
SPHERE OF INFLUENCE UPDATES FOR THE RESOURCE CONSERVATION DISTRICTS
MISSION RESOURCE CONSERVATION DISTRICT



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EXHIBIT C

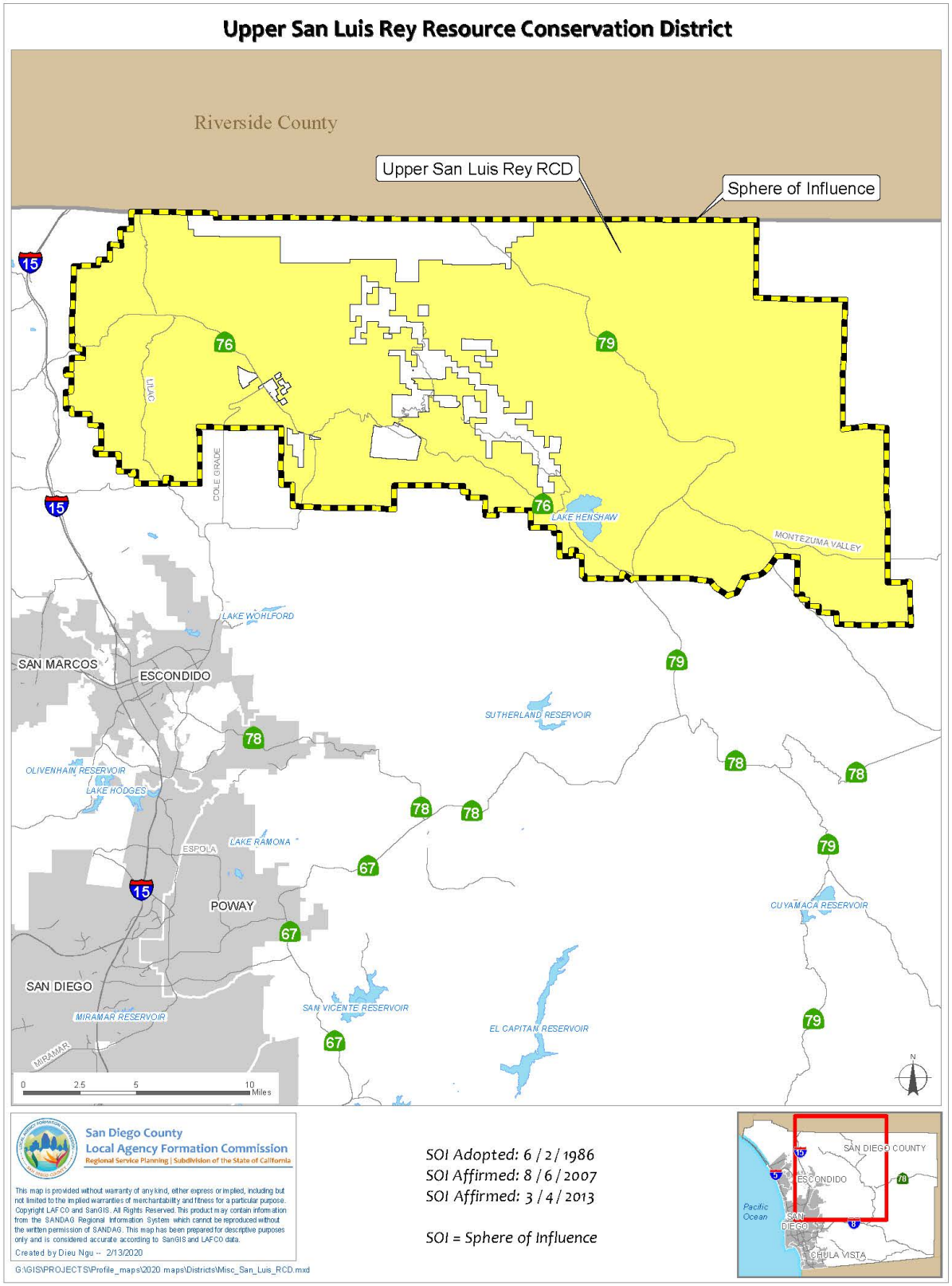
SPHERE OF INFLUENCE UPDATES FOR THE RESOURCE CONSERVATION DISTRICTS
RESOURCE CONSERVATION DISTRICT OF GREATER SAN DIEGO COUNTY



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EXHIBIT D

SPHERE OF INFLUENCE UPDATES FOR THE RESOURCE CONSERVATION DISTRICTS
UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT



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6c

AGENDA REPORT
Public Hearing

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst

SUBJECT: **Proposed "Mercurio Service Agreement" and Sphere Amendment | Out-of-Agency Wastewater Service by the City of La Mesa (OAS-SA20-09)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a request to authorize the City of La Mesa to enter into a contract with landowners to provide outside wastewater service to 0.91 acres of unincorporated territory in Valle de Oro. The affected territory is developed with a single-family residence utilizing an underground septic disposal system. The purpose of the proposal is to facilitate development of an accessory dwelling unit on the affected territory that would otherwise be prohibited given negative impacts on the existing septic system. A concurrent amendment to add the affected territory to the City's sphere of influence is also required to accommodate the outside service extension in lieu of making a public health or safety finding. Staff recommends approval of the request with a concurrent sphere of influence amendment. Standard terms are also recommended.

BACKGROUND

Applicant Request

San Diego County LAFCO has received a request from interested landowners (Joseph and Carmen Mercurio) seeking Commission authorization to enter into an agreement with the City of La Mesa to establish outside wastewater service to an unincorporated residential

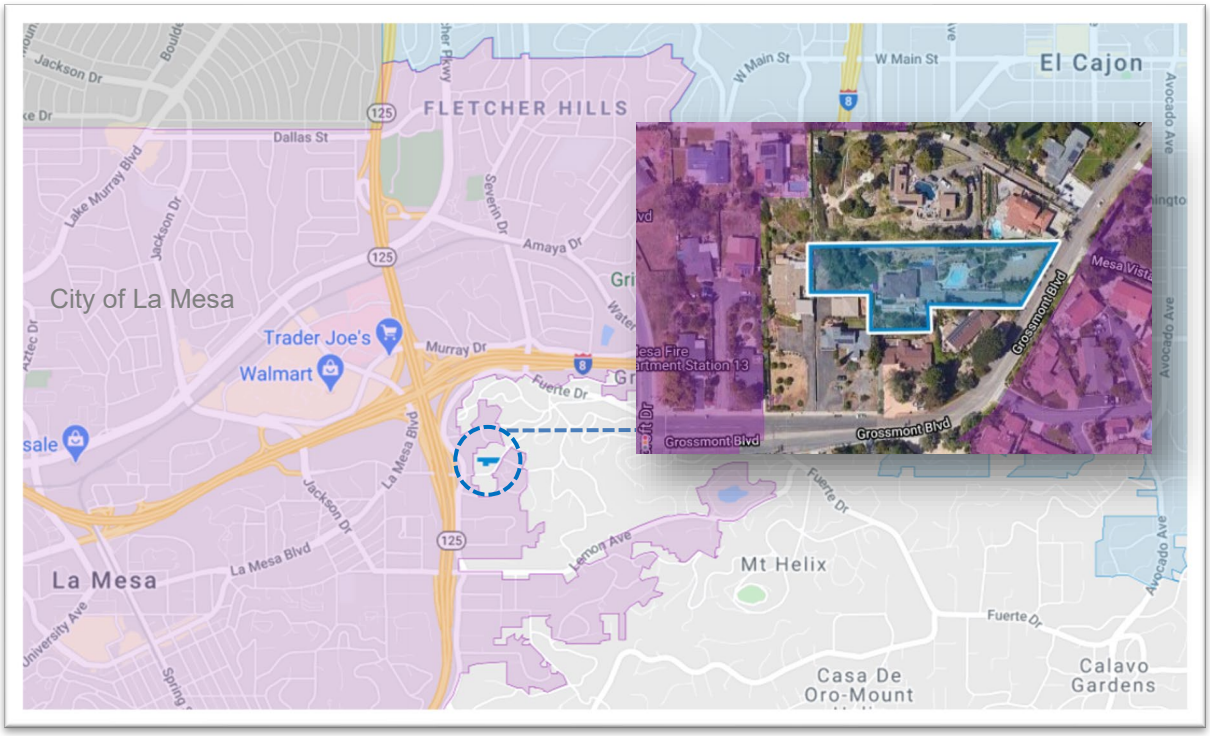
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Jo MacKenzie, Vista Irrigation
Chair Andy Vanderlaan, General Public
Nora Vargas, County of San Diego
Bill Wells, City of El Cajon
Marni von Wilpert, Alt, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Escondido
Erin Lump, Alternate, Rincon del Diablo

property in Valle De Oro. The affected territory consists of one legal parcel totaling 0.91 acres at 9200 Grossmont Boulevard and identified by County of San Diego Assessor's Office as 491-812-16. The affected territory lies outside the City's sphere of influence.

Affected Territory

The affected territory lies within an unincorporated corridor that is substantially surrounded by the City of La Mesa. An existing 2,000 square foot single-family residence built in 1949 comprises the subject parcel and presently occupied and dependent on an onsite septic system. The affected territory is located generally south of Interstate-8, west of Jamacha Road, north of State Route-94, and east of Avocado Boulevard. An aerial map of the affected territory relative to the adjacent La Mesa boundary follows.



Subject Agencies

The request before San Diego LAFCO involves one subject agency: City of La Mesa.[1] A summary of the subject agency in terms of governance, population, municipal functions, and financial standing follows.

- The City of La Mesa encompasses approximately 5,824 acres or 9.1 square miles making it the fourteenth largest sized incorporated territory in San Diego County. The La Mesa jurisdictional boundary is bordered by the City of San Diego to the north and west; the City of El Cajon to the northeast; the unincorporated communities of Valle de Oro and

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.

Spring Valley to the east; and the City of Lemon Grove to the south. La Mesa was incorporated in 1912 and is governed by a five-member city council consisting of a directly elected mayor and four councilmembers elected at-large. La Mesa is a full-service municipality, and this includes directly providing community planning, fire protection, park and recreation, police, public works, and wastewater throughout its incorporated boundary with limited exceptions.[2] The current estimated resident population is 59,249 with an average annual growth rate of 0.4% since 2010. LAFCO established a coterminous sphere of influence for La Mesa in 1987, which was last reviewed and affirmed in 2008. La Mesa' audited net position is $162.9 million as of June 30, 2019 with (-$29.9) million in unrestricted monies[3]. The total net position has decreased by (-1.6%) over prior three audited years.

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries and/or spheres of influence of nine local agencies directly subject to San Diego LAFCO. These agencies qualify as "affected agencies" relative to the proposed change of organization and listed below.[4]

- County Service Area No. 135 (Regional Communications and Fire Protection)
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- Resource Conservation District of Greater San Diego County (sphere only)
- San Diego County Street Lighting District
- San Diego County Flood Control District
- San Diego County Water Author
- San Miguel Consolidated Fire Protection District

DISCUSSION

This item is for San Diego LAFCO to consider approving a request by interested landowners to establish outside wastewater service by contract with the City of La Mesa. The Commission may also consider applying conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to request purpose, development opportunities, and Commission focus follows.

Request Purpose

The purpose of the request is to extend City of La Mesa wastewater service to an existing single-family residence and in doing so facilitate a planned accessory dwelling unit or ADU. The unincorporated residence utilizes an underground septic disposal system that is

[2] Helix Water District provides retail water services within La Mesa.
[3] Non-current liabilities have increased due to financial reporting requirements for pension obligations.
[4] 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.

considered undersized and substandard but nonetheless functional for present uses. The existing system, however, cannot support additional intensification based on a review by the County Department of Environmental Health (DEH). La Mesa has existing wastewater infrastructure available to serve the affected territory and the City has conditionally agreed to extend wastewater service to the property by contract should the Commission approve.

Development Potential

The affected territory is planned under the County of San Diego General Plan for low density single-family residential use (Semi-Rural Residential -Sr-0.5) with a confirming zoning standard of Rural Residential. This standard prescribes a minimum lot size of 0.5-acres (2.0 du/ac). The proposed development of one accessory dwelling unit (ADU) on the subject parcel would be permitted under present County use and zoning designations in addition to the existing single-family residence. The City of La Mesa does not designate or prezone the affected territory.

Commission Focus

Three central and sequential policy items underlie San Diego LAFCO's consideration of the requested approval for the City of La Mesa to contractually extend outside wastewater services to the affected territory. These central policy items orient the Commission to consider the interrelated merits of the (a) accommodating the extension – now or in the future – through a sphere of influence amendment or public threat finding, (b) timing of the requested extension itself and alternatives, and (c) whether discretionary terms are warranted. The Commission must also consider other relevant statutes as detailed.

ANALYSIS

San Diego LAFCO's analysis of the request is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section. The second subsection considers other germane issues required for consideration by the Commission in evaluating the proposal and highlighted by environmental review under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 |
Accommodation Under Government Code Section 56133
(Sphere of Influence Amendment v. Public Threat Finding)

Government Code Section 56133 is the statute outlining LAFCOs' regulatory role in overseeing requests to allow cities and special districts to enter into contracts to provide municipal services outside their jurisdictional boundaries. The statute is prefaced on the legislative assumption that outside service contracts generally serve as interim solutions in establishing needed and/or otherwise merited municipal services in anticipation of later annexations. To this end, the statute limits LAFCOs' approval of outside service extensions for lands located

within the affected agencies' spheres of influence with the exception of addressing documented threats to public health or safety. The statute specifies the following two requirements must be satisfied for LAFCOs to make public health or safety findings and authorize outside service extensions beyond the agencies' sphere of influence.

- The applicant has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents.

- LAFCO has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, which has filed a map and a statement of its service capabilities with the commission.

San Diego LAFCO policies and procedures for implementing Section 56133 generally rely on the evaluation and determinations of the County DEH when documenting present or impending health and safety threats.[5]

The affected territory is not located within the City of La Mesa's sphere of influence but can be readily added given its shared connectivity with an adjacent public right-of-way. Separately, the landowners have provided documentation from County DEH as to the substandard status of the existing septic system and limitations in accommodating additional intensity. Accordingly, and as an alternative to making a public health finding, a concurrent sphere of influence amendment appears as the best means under LAFCO law to facilitate the outside wastewater service extension should the Commission deem the latter appropriate.

CONCLUSION |
ACCOMMODATION UNDER GOVERNMENT CODE SECTION 56133

Amending the City of La Mesa's sphere of influence to include the affected territory for the purpose of facilitating an outside wastewater service agreement appears to be the best available option to the Commission under statute. The conforming sphere amendment to include the affected territory will concurrently provide consistency with LAFCO statutory requirements in anticipation of a later change of organization to annex the subject property to the City. Additional analysis supporting the conclusion is provided as Appendix A.

[5] County DEH is the local permitting and regulatory agency for on-site underground wastewater disposal systems and provides evaluations for the status of existing and proposed septic systems and a subject property's capability to repair, rehabilitate, or expand an existing septic system.

Item No. 2 |
Timing of the Wastewater Extension by Contract or Alternates

The landowners are requesting approval from San Diego LAFCO to enter into an agreement with the City of La Mesa to establish outside wastewater services to the affected territory in conjunction with accommodating the construction of an ADU. Underlying the Commission's consideration of the request is the timing and whether the membership believes the extension of wastewater service is needed and – if yes – whether it is readily available. Should the preceding determinations be in the affirmative the Commission is tasked with proceeding to consider the most appropriate delivery means: specifically, annexation or outside service extension. Staff's analysis of these two related factors follow

Timing and Availability of Service

- The affected territory consists of an existing single-family residence within the developing unincorporated community of Valle De Oro. Existing County policies contemplate additional intensification of the affected territory to include an ADU, but currently impeded by a substandard septic.

- The extension of wastewater service to the affected territory is readily accessible via an existing and adjacent La Mesa wastewater main approximately 35-feet from the affected territory within the Grossmont Boulevard public-right-of-way. The landowner will finance all required connection costs and be responsible for the private lateral connection.

- It is projected the maximum average day wastewater demand generated within the affected territory at its maximum buildout (two dwelling units) is 540 gallons. This projected demand is equivalent represents 0.0003% of La Mesa's existing available wastewater capacity, and as such can be readily accommodated without additional resources or infrastructure planning[6]

- The alternative to extending public wastewater service to the affected territory would be to maintain a private on-site septic system that has been identified as functional but substandard by County DEH. This alternative – among other items – would counter the Commission's interest and practice in discouraging private septic systems in developing urban areas when alternatives are available.

[6] La Mesa wastewater infrastructure includes 155 miles of wastewater lines that collect and convey wastewater for treatment and discharge to the City of San Diego's Metropolitan Wastewater System (METRO) which delivers the wastewater to the City's Point Loma Wastewater Treatment Plant (WWTP). The Point Loma WWTP provides advanced primary wastewater treatment for discharge to the Pacific Ocean through a 4.5 mile ocean outfall. The METRO System is governed and managed by the METRO Wastewater Joint Powers Authority (METRO JPA), a joint-powers authority co-membered by La Mesa and 12 other jurisdictions.

Annexation v. Outside Service Agreement

- Annexations are the preferred method under LAFCO law to memorialize the relationship between a local agency and their service commitments unless local conditions suggest otherwise.

- Local conditions sufficiently justify an outside service extension as the most responsive means to provide wastewater services to the affected territory given annexation would not be orderly or efficient at this time. Most notably, the City of La Mesa has not contemplated the annexation or development of the affected territory in its General Plan or Zoning Ordinance. Annexation of the affected territory on its own would also create a substantially new unincorporated corridor. Further, annexation would counter the Commission's standing determination that the County – and not La Mesa – is the appropriate land use authority for the affected territory based on the last sphere of influence review of the City.

CONCLUSION |
MERITS OF TIMING OF THE WASTEWATER EXTENSION BY CONTRACT OR ALTERNATES

The timing of the wastewater extension to the affected territory is warranted and best accommodated by an outside service contract with the City of La Mesa. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area consistent with available public infrastructure while avoiding a premature jurisdictional change given local conditions.

Item No. 3 |
Potential Approval Terms

Standard approval terms are recommended and includes requiring the applicant (landowners) to provide written consent to annexation to the City of La Mesa in the future should it be proposed. The written consent would be recorded and run with the property unless removed by the Commission.

CONCLUSION |
APPROVAL TERMS

Standard approval terms are recommended. This includes the applicants (landowners) providing written consent to the future annexation of the affected territory to the City of La Mesa should it be proposed.

Other Statutory Considerations

Environmental Review

CEQA requires San Diego LAFCO to assess whether impacts would result from activities approved under the Commission's statutory authority. Accordingly, San Diego LAFCO is tasked with making two distinct determinations as lead agency under CEQA in considering the proposed reorganization. Staff's analysis and recommendations follow.

- San Diego LAFCO serves as lead agency under CEQA for the accommodating sphere of influence action associated with the requested outside-of-agency wastewater service contract. It is recommended the Commission find the accommodating sphere action is a project under CEQA but exempt from further review under State Guidelines Section 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) do not change the environment or authorize any new uses or services.

- San Diego LAFCO also serves as lead agency under CEQA for the requested outside-of-agency wastewater service contract. It is recommended the Commission find the outside-of-agency contract and the underlying extension of wastewater to the affected territory is a project under CEQA but exempt from further review under State Guidelines Section 15319(a). This exemption appropriately applies given the project involves the annexation of affected territory developed to the density allowed by the land use authority.

RECOMMENDATION

Staff recommends San Diego LAFCO approve the requested outside wastewater service contract with an accommodating sphere of influence amendment to the City of La Mesa along with standard terms. 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 and can be accomplished with a single-motion:

Alternative One (recommended):

a) Approve the requested outside wastewater service contract between the applicants and the City of La Mesa with the following terms delegated to the Executive Officer:

   - Payment of any outstanding fees pursuant to the LAFCO fee schedule.

- Recordation of the applicants (landowners) written consent to the annexation of the affected territory to the City of La Mesa should it be proposed and permissible at a future date. The written consent shall be recorded on the property and remain unless released by the Commission.

- Filing of a Notice of Exemption.

b) Adopt the attached draft resolution amending the City of La Mesa sphere of influence to include the affected territory along with making the required determinations as described in Exhibit A.

Alternative Two:
Continue consideration to a future meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:
Disapprove the request.

PROCEDURES FOR CONSIDERATION

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

1) Receive verbal presentation from staff unless waived.
2) Initial questions or clarifications from the Commission.
3) Open the hearing and invite comments in the following order:
   - representatives from the City of La Mesa
   - other interested parties and the general public
4) Discuss item and consider the staff recommendation.

On behalf of the Executive Officer,



Robert Barry, AICP
Chief Policy Analyst

Appendix:

A) Analysis of Sphere of Influence Factors

Attachments:

1) Vicinity Map of the Affected Territory
2) Draft Resolution of Approval: Sphere Amendment
3) Proposed Wastewater Service Agreement Between City of La Mesa and Landowners

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APPENDIX A

STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FACTORS

(1) The present and planned land uses, including agricultural and open-space lands.

The affected territory includes one unincorporated parcel totaling approximately 0.91 acre and identified by the County of San Diego County Assessor's Office as 491-812-16. The affected territory is developed with one single-family residence located at 9200 Grossmont Boulevard in the unincorporated Valle de Oro community. The landowners are requesting approval for an outside-of-agency wastewater service agreement with the City of La Mesa to serve the existing single-family residence and one planned accessory dwelling unit (ADU). The present County of San Diego General Plan designation for the affected unincorporated territory is Semi-Rural Residential (Sr-0.5) (2.0 dwelling units/one acre) with adopted zoning as Rural Residential with a 0.5-acre minimum lot size (2.0 du/ac). The proposed development of one ADU would be permitted under present County use and zoning designations in addition to the existing residence. The affected territory does not contain agricultural or open-space lands as defined by LAFCO law. An accommodating amendment to add the affected territory to La Mesa's sphere of influence is needed under statute to facilitate the outside service and is consistent with present and planned land uses.

(2) The present and probable need for public facilities and services in the area.

The affected territory is presently developed with one single-family residence and surrounded by residential uses. The landowners plan to develop one ADU and has provided documentation from the County Department of Environmental Health attesting that the existing on-site septic wastewater disposal system is considered substandard in size for present uses and would not support additional intensification. The City of La Mesa has existing wastewater infrastructure adjacent to the affected territory and has requested LAFCO approval for an extension of wastewater service by contractual agreement with the landowners in anticipation of a later change of organization. An accommodating amendment to add the affected territory to La Mesa's sphere of influence is needed under statute to facilitate the outside service and is consistent with present and probable needs specific to wastewater service.

(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

The proposed outside-of-agency wastewater service agreement for the affected territory is intended to extend the City of La Mesa's retail wastewater service to one existing single-family residence and one planned ADU. The landowners have provided documentation from the County DEH confirming an existing substandard septic disposal system that is not adequate for existing uses and will not support the planned ADU development. An existing La Mesa wastewater main is located adjacent to the affected territory within the Grossmont

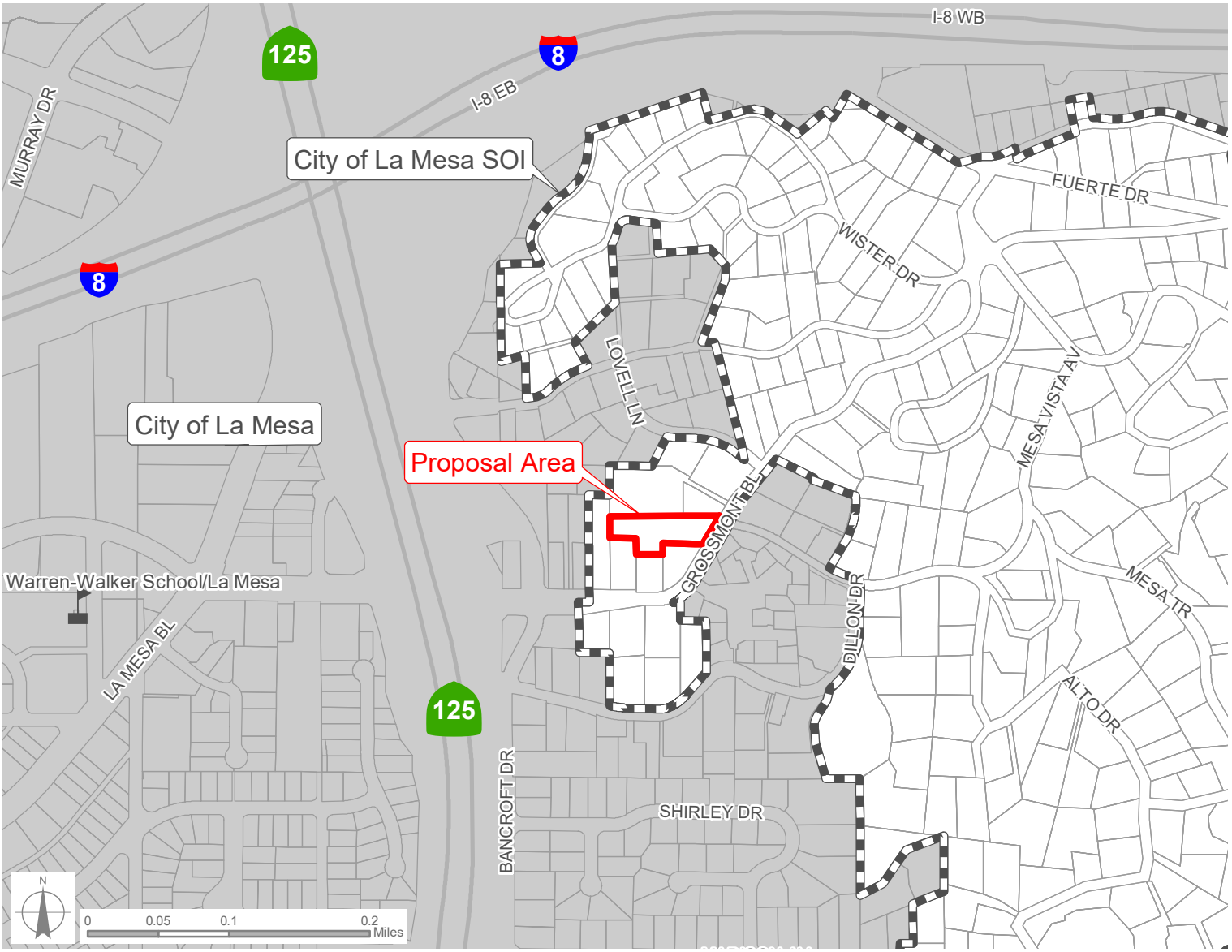
Boulevard public-right-of-way and analysis performed by LAFCO confirms the extension will not have a negative impact on La Mesa's existing capacities. An accommodating amendment to add the affected territory to La Mesa's sphere of influence is needed under statute to facilitate the outside service consistent with statute and is compatible with existing public infrastructure specific to wastewater.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

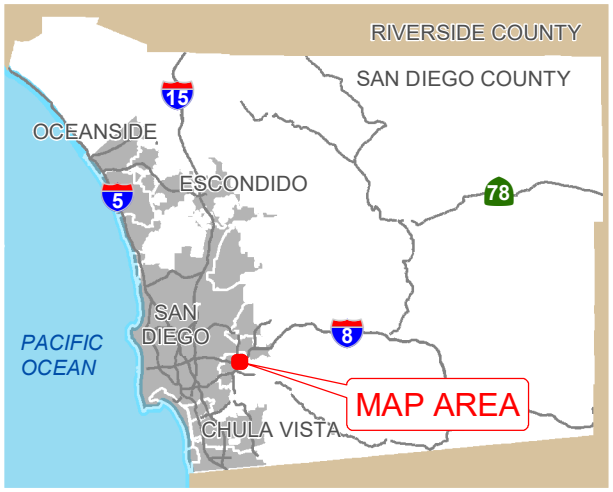
The affected territory has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding the La Mesa sphere to include the affected territory for purposes of establishing wastewater service is consistent with relevant economic and social communities of interest in the area.

(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The affected territory is not presently located within or adjacent to a census tract qualifying as a disadvantaged unincorporated community under State statute or LAFCO policy.







SA20-09
OAS20-09

"MERCURIO - GROSSMONT BLVD OUT-OF-AGENCY WASTEWATER SERVICE AGREEMENT AND SPHERE OF INFLUENCE AMENDMENT" | CITY OF LA MESA

SOI = Sphere of Influence

- Proposal Area
- City of La Mesa
- City of La Mesa SOI

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

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G:\GIS\Vicinity_Maps\agendamaps2020\20-09 La Mesa Vicinity.mxd

Created by Dieu Ngu -- 6/25/2020

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RESOLUTION NO._____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

APPROVING AN AMENDMENT TO THE CITY OF LA MESA SPHERE OF INFLUENCE

"MERCURIO – GROSSMONT BOULEVARD OUTSIDE-OF-AGENCY WASTEWATER SERVICE AGREEMENT AND SPHERE OF INFLUENCE AMENDMENT"
LAFCO File No. OAS20-09 et al.

WHEREAS, landowner applicants have filed a request with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the request seeks approval to extend City of La Mesa wastewater service by contractual agreement to one unincorporated parcel 0.91 acres in size with a single-family residence located at 9200 Grossmont Boulevard and identified further as 491-812-16; and

WHEREAS, the purpose of the request is to facilitate the intensification of the affected territory through the planned construction of an accessory dwelling unit by establishing a connection to the nearby public wastewater system; and

WHEREAS, the affected territory lies outside the City of La Mesa's sphere of influence and in the absence of making a public health or safety finding would need to be amended to include the subject lands to allow for outside wastewater service under Government Code 56133; and

WHEREAS, the Commission's Executive Officer has reviewed the request and the associated need for an accommodating sphere of influence amendment to the City of La Mesa and prepared a report with recommendations and presented it to the Commission; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting – including the written report from the Executive Officer – held on February 1, 2021;

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56425 and adopted local policies when deliberating changes to spheres of influence.

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

1. The Commission's determinations on the accommodating sphere of influence amendment associated with the request for the City of La Mesa to establish outside wastewater service to the affected territory is based on the information and analysis provided in the Executive Officer's written report presented on February 1, 2021.

2. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) and determines an accommodating amendment to the City of La Mesa's sphere of influence to include the affected territory is a project but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and the establishment, update, and amendment therein do not make changes to the environment or authorize any new land uses or municipal services.

3. An amendment to the City of La Mesa sphere of influence to include the affected territory is APPROVED with adjacent public right-of-way to provide contiguity.

4. Approval is CONDITIONED on the following terms being satisfied within one calendar year – or February 1, 2022 – unless a prior written request for a time extension is approved by the Commission.

   a) Final approval – including satisfaction of all prescribed terms – of the associated outside wastewater service request between the City of La Mesa and the affected territory.

   b) Submittal to the Commission of a check made payable to LAFCO in the amount of $50.00 for the County of San Diego-Clerk Recorder.

5. The affected territory is shown in Exhibit "A."

6. The written statements of the Commission addressing the mandatory factors for consideration anytime spheres of influence are adopted, amended, or updated under Government code Section 56425 are provided as Exhibit "B."

Passed and adopted by the Commission this 1st day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

_ _

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I, KEENE SIMONDS, Executive Officer of the Local Agency Formation Commission of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution adopted by said Commission at its regular meeting on February 1, 2021, which original resolution is now on file in my office; and that same contains a full, true, and correct transcript therefrom and of the whole thereof.

DATE:

_____

Keene Simonds
Executive Officer
San Diego Local Agency Formation Commission

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RECORDING REQUESTED BY:
La Mesa City Clerk
FEE EXEMPT PER
GOVERNMENT CODE SECTION 27383

WHEN RECORDED, RETURN TO:
Megan Wiegelman, City Clerk
City of La Mesa
P. O. Box 937
La Mesa, CA 91944-0937

(Space Above for Recorder's Use Only)

AGREEMENT FOR SANITARY SEWER SERVICE
9200 Grossmont Blvd., • APN: 491-812-16

THIS AGREEMENT, made and entered into this _____ day of May, 2020 by and between the **City of La Mesa, a Municipal Corporation**, hereinafter referred to as the "City", and **Joseph H. Mercurio and Carmen E. Mercurio, trustees of the Carmen E. Mora Trust dated May 4,1993 and revised February 9, 2000,** hereinafter referred to as the "Owners",

WITNESSETH:

WHEREAS, the owners desires to utilize the wastewater transportation and treatment facilities of the City for property located outside the City limits; and

WHEREAS, the City Engineer has determined that sanitary sewer service for the subject property is necessary to protect the health and safety of the areas residents; and

WHEREAS, the City has and is operating a sanitary sewer system so situated and of sufficient capacity to transport and treat the wastewater from the owner's property; and

NOW, THEREFORE, for and in consideration of the promises herein and for further good and valuable consideration hereinafter set forth, IT IS MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

SECTION 1. The property of the owners proposed to be connected to the City's sanitary sewer system, at a point approved by the City Engineer, shall be that area in a territory located outside the City and described in **EXHIBIT A** attached hereunto.

SECTION 2. The owners may discharge wastewater into the City's sanitary sewer system, from the property described in Section 1 hereof, upon condition, however, that no waste oil, acid and other matter that may be detrimental to the treatment process employed in the City sanitary sewer system, nor any storm or ground waters, shall be permitted to be discharged into said connecting line, or lines, If any permitted discharge through said sewer system is contrary to limitations provided in this paragraph, the City may make such repair, mitigation or

maintenance work at the expense of the owners and the owners agrees to pay the expense of such repair, mitigation or maintenance work. Further, the Owner shall comply with all codes, ordinance or policies relating to sanitary sewer service within the City of La Mesa.

SECTION 3. The owners shall prepare plans and specifications for the development of the lot and/or lots for which the sewer system extension is required. These plans and specifications shall be reviewed and approved by the Development Advisory Board prior to the review of plans and specifications for the extension of the sewer. Plan review by the Development Advisory Board shall be in accordance with current fee schedules and established procedures of the Development Advisory Board.

SECTION 4. If a public sanitary sewer main is required to be installed, then the owners shall prepare plans and specifications for installation of a public sanitary sewer collection system, which shall meet the City's Design Criteria and shall be approved by the City Engineer. The owners shall install public sanitary sewer main lines in the public streets or in an approved easement granted to the City, from the owner's property to the existing public sanitary sewer system. Private sanitary sewer main and/or service laterals when installed shall be by the property owners. The applicant/owners shall be responsible to acquire private sewer easements if required. In addition, charges shall be paid by owner as follows: (***per current fee schedule established by the City Council**).

*A. A Development Advisory Board review fee payable to City at Planning Department.

*B. A plan check fee based on approved Engineer's estimate for reviewing plans for sanitary sewer collection system.

*C. An inspection fee based on approved Engineer's estimate of construction cost for inspecting construction of the public sanitary sewer collection system.

*D. A lump sum payment to the City, representing a sewer capacity charge to connect the City's existing facilities, and a lump sum payment representing the City's current connection fee based on equivalent dwelling units shall be paid.

*E. A yearly or monthly service charge to reimburse the City for treatment cost and maintenance of the sewer main collector system serving the property. Said service charge shall be as established by ordinance or resolution.

*F. Any sewer connection fees or reimbursement fees established by City to recover the cost of extending the public sanitary sewer system.

SECTION 5. The owners shall dedicate all newly constructed public sanitary sewer facilities to the City in exchange for valuable consideration and the permission to connect to the City's sanitary sewer system.

SECTION 6. It is understood and agreed that the City will own and maintain all public sanitary sewer systems, excluding private building laterals, installed by the Owner, which are inspected and approved by the City. Further, the City shall not be responsible or liable in any way for acts of God or any other act, or acts, beyond the control of the City which may in any way cause interruption or discontinuance of the sanitary sewer service provided for hereunder.

SECTION 7. The owners specifically agrees that all maintenance on the private sewer lateral from owner's premises to the public sewer main shall be Owner's responsibility.

SECTION 8. This agreement shall be terminated and the City shall disconnect service, upon the owner's breach of or failure to perform in terms of this agreement.

SECTION 9. The owners further agrees that in the event that an annexation proceeding be initiated, which includes the property described in Section 1 of this agreement, the owners will not object to inclusion in an annexation, and will be considered to be in favor of said annexation.

SECTION 10. The owners further agree that no new construction, development or subdivision of property affected by this agreement shall be served by sanitary sewer extended under terms of this agreement.

SECTION 11. This agreement shall be binding upon any successors, heirs, or assigns of the owners.

SECTION 12. The parties agree that this Agreement for Sanitary Sewer Service shall be recorded in the office of the County Recorder of San Diego County and that the provisions contained herein relative to the real property described in **Section 1** shall operate as covenants and restrictions thereof.

SECTION 13. This agreement shall be null and void and any lien or cloud on title shall be released upon annexation of subject property to the City of La Mesa, notice of which shall be recorded.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this agreement the day and year first above written.

Joseph H. Mercurio Date	Carmen E. Mercurio Date

CITY OF LA MESA, a Municipal Corporation

BY _____
Mark Arapostathis, Mayor Date

BY _____
Megan Wiegelman, City Clerk Date

Attachments:
Exhibit A, legal description (2 pages)
LAFCO Administrative Approval dated DA20-_____

E:\0400 AgrmtsCntrts\90 Sewer Service Agreements\9200 Grossmont Blvd., Mercurio.docx

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On _____, 2020, before me, Megan Wiegelman, City Clerk, personally appeared Mark Arapostathis, Mayor, City of La Mesa, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (SEAL)
Megan Wiegelman, CMC
City Clerk of the City of La Mesa

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AGENDA REPORT
Business | Discussion

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
George Williamson, Contract Planner
Priscilla Allen, Analyst I

SUBJECT: **Draft Municipal Service Review on the Poway Region**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a draft municipal service review on the Poway region. The draft has been prepared as part of the adopted workplan and represents an independent assessment of the level and range of key public services provided in the region and specifically by the principal local government subject to Commission oversight – City of Poway. This includes preparing statements and related recommendations addressing the factors required as part of the municipal service review process and in combination with informing the Commission's growth management duties and responsibilities. The draft is being presented for preliminary discussion and feedback ahead of staff initiating a public review and returning in April with final actions.

BACKGROUND

Municipal Service Reviews

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency's sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission regarding the availability and sufficiency of governmental services relative to

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Mary Casillas Salas, City of Chula Vista
Chris Cate, City of San Diego
Jo MacKenzie, Vista Irrigation
Chair Andy Vanderlaan, General Public
Nora Vargas, County of San Diego
Bill Wells, City of El Cajon
Marni von Wilpert, Alt, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Joel Anderson, Alternate, County of San Diego
Paul McNamara, Alternate, City of Imperial Beach
Erin Lump, Alternate, Rincon del Diablo MWD

current and future community needs. Municipal service reviews statutorily inform required sphere of influence updates and may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts.

Current Workplan | Municipal Service Review on the Poway Region

San Diego LAFCO's current workplan was adopted at a noticed hearing in May 2020 and outlines specific project goals for the fiscal year. This includes preparing a municipal service review on the Poway region with specific focus on the City of Poway with other local agencies – Palomar Healthcare District and Pomerado Cemetery District – deferred to future studies. The municipal service review represents the first of its type covering the Poway region.

DISCUSSION

This item is for San Diego LAFCO to review the draft municipal service review on the Poway region consistent with the adopted workplan and ahead of staff initiating a formal 45-day public comment period. Similarly, it is also an opportunity to receive initial comments from stakeholders in the region – including the City of Poway –and other interested parties and individuals. Feedback received will be incorporated by staff into a final municipal service review presented for future action as early as April to formally file along with an accompanying resolution codifying the determinative statements. An associated sphere for the City of Poway will also be presented with the final municipal service review.

An Executive Summary (Chapter Two) anchors the municipal service review and outlines the key conclusions and findings generated to date. The Executive Summary also includes determinative statements addressing the mandatory factors required under statute anytime San Diego LAFCO performs a municipal service review. Examples include making independent statements on infrastructure needs and deficiencies, population estimates, financial resources, and opportunities and merits therein for reorganizations. Specific recommendations for action either by the Commission, City of Poway, or other local agencies are also provided in the Executive Summary.

ANALYSIS

See Executive Summary provided as part of Attachment One.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the draft municipal service review on the Poway region and provide related feedback to staff. This includes providing direction on desired revisions and/or additions ahead of staff circulating the draft for public review and comment and returning with a final version for action as early as April 2021.

ALTERNATIVES FOR ACTION

The item is being presented to San Diego LAFCO for discussion and feedback only.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion 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) Initial questions or clarifications from the Commission.
3) Invite comments from interested audience members.
4) Discuss item and provide feedback as requested.

On behalf of the Executive Officer,

Priscilla Allen
Analyst I

Attachment:

1. Draft Municipal Service Review | Poway Region

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SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



POWAY REGION

Municipal Service Review | Government Code 56430

Affected Agencies
City of Poway

Draft Report | February 2021

Project Managers
George Williamson, Contract Planner (Lead)
Priscilla Allen, Analyst I

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ACKNOWLEDGEMENTS

San Diego LAFCO gratefully acknowledges the time and effort of officials and staff with the City of Poway in assisting in the preparation of this report and includes – but not limited to – the following:

Tracy Beach, Senior Civil Engineer
Jon Canavan, Fire Chief
Ray Fried, City Battalion Chief - Operations
Bob Hahn, Parks Maintenance Supervisor
Kristin Holden, Senior Administrative Assistant
Wendy Kaserman, Assistant City Manager
Marisa Lowe with Poway Public Library
Angelina Martinez, Management Analyst
Jessica Parks, Senior Management Analyst
Annie Ransom with Kumeyaay-Ipai Interpretive Center
Craig Ruiz, Economic Development Administrator
Austin Silva, Senior Planner
Stacey Tang, Finance Manager

LAFCO also acknowledges the unique circumstances underlying the preparation of this report and participation therein by the City of Poway given the parallel impact of the COVID-19 pandemic. Poway has taken measured precautions in response to the ongoing pandemic with City offices and regular meetings transitioning to virtual operations to protect both City officials and the public.

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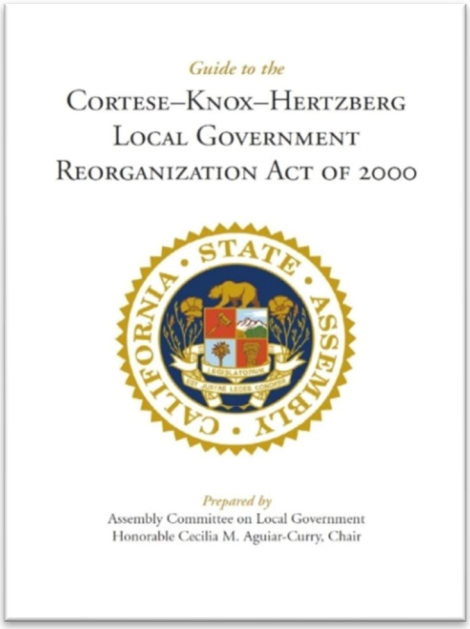
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CHAPTER ONE | INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives



Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.[1] LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are referred to as the Legislature's "watchdog" for local governance issues.[2]

Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities outlined under Government Code (G.C.) Section 56301. This statute reads:

> *"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions. One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."*

[1] Reference California Government Code Section 56000 et. seq.
[2] In its ruling on City of Ceres v. City of Modesto, the 5th District Court of Appeals referred to LAFCOs as the "watchdog" of the Legislature to "guard against the wasteful duplication of services." (July 1969)

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly effects land use density or intensity, property development, or subdivision requirements.

1.2 Regulatory Responsibilities

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and special districts in California with limited exceptions.

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.[3] LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

1.3 Planning Responsibilities

LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to community needs.

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

[3] CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions as footnoted.[4] Further, an increasingly important role involving sphere determinations relate to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns.

Starting January 1, 2008, LAFCOs must review and update all local agencies' spheres every five years. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities. The five mandated planning factors are summarized in short-form below.

> Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineates where cities, towns, or districts may seek future annexations or outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

1. Present and planned land uses in the area, including agricultural and open-space.

2. Present and probable need for public facilities and services in the area.

3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

4. Existence of any social or economic communities of interest in the area.

5. If the city or special district provides water, sewer, or fire, the need for those services in any disadvantaged unincorporated communities in the existing sphere.

[4] Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies' spheres include annexations of State correctional facilities or annexations to cities/towns involving city/town owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH's enactment in 2001 and represent comprehensive studies of the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor's Office of Planning and Research in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized below in short-form with additional details footnoted.[5]

Municipal service reviews fulfill the Legislature's interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

1. Growth and population projections for the affected area.

2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.

4. Financial ability of agencies to provide services.

5. Status and opportunities for shared facilities.

[5] Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of "disadvantaged unincorporated community" is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the *statewide* annual median household income; the latter amount currently totaling $53,735 (*emphasis*).

6. Accountability for community service needs, including structure and operational efficiencies.

7. Matters relating to effective or efficient service delivery as required by policy.

1.4 LAFCO Decision-Making

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their appointing authorities.

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members 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. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

1.5 Prescriptive Funding

CKH prescribes local agencies fully fund LAFCOs' annual operating costs. Counties are generally responsible for funding one-third of LAFCO's annual operating costs with remainder one-third portions allocated to the cities/towns and independent special districts. The allocations to cities/towns and special districts are calculated based on standard formula using general tax revenues unless an alternative method has been approved by most of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

The majority of San Diego LAFCO's ("Commission") existing policies and procedures were initially established in the 1970s and subsequently updated in the 2000s in step with the enactment of CKH. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with sufficient discretion to address local conditions and circumstances. This includes overarching policies and procedures to align present and planned urban uses with existing cities and special districts and discourage proposals that would prematurely convert agricultural and open-space lands. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals.

2.2 Commission Information

San Diego LAFCO holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 9:00 A.M and live-streamed at www.sdlafco.org. Agenda materials are posted online generally no less than one week in advance of a regular meeting. The current Commissioner roster follows.

San Diego LAFCO Membership
Current as of January 2021

Commissioner	Appointing Authority	Affiliation
Chair Andy Vanderlaan	Commission	Representative of the Public
Vice Chair Jim Desmond	Board of Supervisors	County of San Diego
Chris Cate	City of San Diego Mayor	City of San Diego
Jo MacKenzie	Independent Special Districts	Vista Irrigation District
Mary Casillas Salas	Cities Selection Committee	City of Chula Vista
Nora Vargas	Board of Supervisors	County of San Diego
Bill Wells	Cities Selection Committee	City of El Cajon
Baron "Barry" Willis	Independent Special Districts	Alpine Fire Protection District
Alternate Joel Anderson	Board of Supervisors	County of San Diego
Alternate Erin Lump	Independent Special Districts	Rincon del Diablo Municipal Water District
Alternate Harry Mathis	Commission	Representative of the Public
Alternate Paul McNamara	Cities Selection Committee	City of Escondido
Alternate Marni von Wilpert	City of San Diego Mayor	City of San Diego

Immediate Past Members in 2020:
Dianne Jacob, Board of Supervisors, County of San Diego
Mark Kersey, Mayor of the City of San Diego, City of San Diego
Greg Cox, Board of Supervisors, County of San Diego (alt)

2.3 Contact Information

San Diego LAFCO's administrative office is located within the County of San Diego's Operations Center at 9335 Hazard Way in San Diego (Kearny Mesa). Visitor parking is readily available. Appointments to discuss proposals or other matters are encouraged and can be scheduled by calling 858.614.7755. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO's programs and activities is also available online by visiting www.sdlafco.org.

Thank you.

Keene Simonds
Executive Officer

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CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review for the Poway region in central San Diego County. The report has been prepared by contract staff (Planwest Partners) consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of municipal services in the region and specifically the principal service provider – City of Poway – over the next five years relative to the Commission's regional growth management duties and responsibilities. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The purpose of the report is to produce an independent "snapshot" of the level and range of services provided in the Poway region - and specifically the City of Poway - relative to informing future LAFCO decision-making. The report marks the first municipal service review dedicated to the Poway region.

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program on municipal services in the Poway region. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks approximately every five years consistent with the timetable set by the Legislature and memorialized under adopted policy. This will also allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Other key premises, assumptions, and benchmarks underlying the preparation of this report follow.

Defining Scope | Affected Agencies Covered

There are multiple local agencies under the Commission's oversight that provide one or more municipal services in the Poway region. The City of Poway is principal among these local agencies and provides most municipal services within the region and accordingly is the focus of this report. Other local agencies that provide one or more municipal services in the region include Palomar Healthcare District and Pomerado Cemetery District and are expected to be detailed as part of separate and future service-specific reports.

As the primary service provider within the region, this municipal service review focuses on the City of Poway.

Defining Scale | Municipal Services Covered

Consistent with the preceding premise and focus therein on the City of Poway, the report is scaled to address five core City municipal functions deemed by the Commission's Executive Officer to be most pertinent in accommodating growth and development in the region. These five core municipal functions are integrated fire protection and emergency medical services, wastewater, water, park and recreation, and community development. Other pertinent City functions are also addressed in the report, though in an abbreviated format and include street maintenance, storm water, flood control, law enforcement, and animal control.

Looking Back – Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission's analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2015 to 2019 with limited exceptions (i.e. July 1, 2015 through June 30, 2019). This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e., data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward – Setting the Report's Timeframe

The timeframe for the report has been oriented to cover the next five-year period through 2024 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews and expected therein to inform all related sphere of influence and boundary actions undertaken in the region during this period involving the City of Poway and other local agencies as applicable.

Calculating Population Estimates and Projections

Past and current residential population estimates in the report draw on data generated by Esri and their own mapping analyses of census tracts. This approach differs from past Commission practice to utilize estimates by the San Diego Association of Governments and done so given – and among other factors – the ability of Esri's mapping software to readily sync with special district boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend over the last 60 months; i.e. population growth over the last five years is generally expected to hold over the next five years.

Focusing on Macro-Level Determinations

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of municipal services provided in the region and specifically the City of Poway. A prominent example involves focusing on annual system-wide demands generated during the five-year report period as opposed to specific areas or zones. This approach informs macro-level determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis as part of addendums or future municipal service reviews.

Benchmarking Infrastructure Needs and Deficiencies

Similar to the preceding factor the report and its analysis focuses on average system demands – whether water, wastewater, fire, etc. – generated in the affected agency's service area during the 60-month study period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities.

Benchmarking Fiscal Solvency

Several diagnostic tools are used to assess and make related determinations on the affected agency's financial solvency based on a review of available audited information. This includes an emphasis on analyzing current ratio, debt-to-net assets, and total margin. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin and calculated to track overall trends and final-year standing.

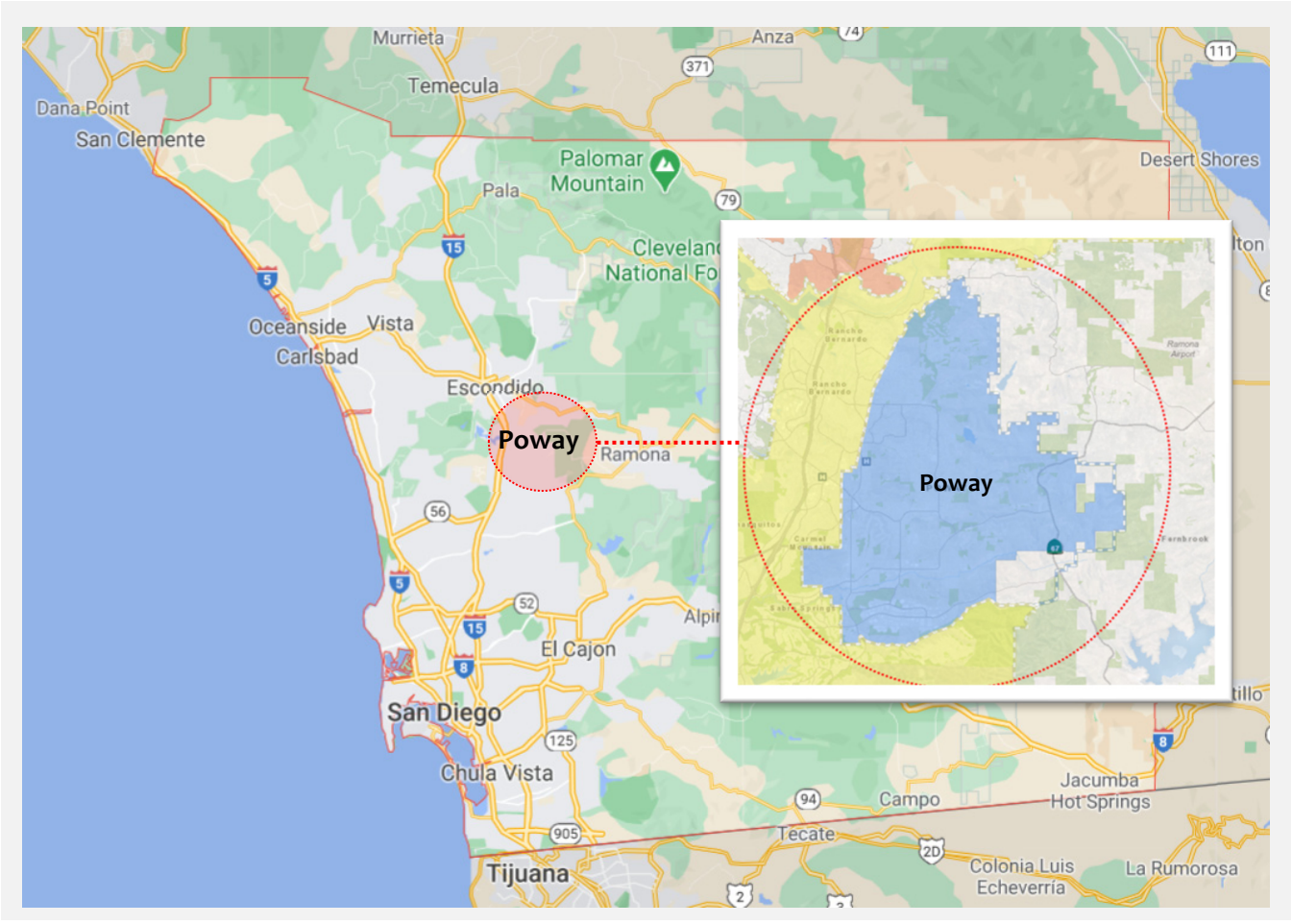
2.0 REPORT ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.[6] This includes addressing the mandatory service and governance factors required by the Legislature whenever San Diego LAFCO performs a municipal service review. The Executive Summary is preceded by an agency profile (Chapter Three) for the City of Poway as the principal municipal service provider in the region. The profile transitions between qualitative descriptions of the background and development of Poway to quantifying specific categories. This includes quantifying demographic trends, service levels, and financial standing.

[6] The Executive Summary purposefully distinguishes between "conclusions," "determinations," and "recommendations." Conclusions refer to general policy takeaways. Determinations address specific legislative factors. Recommendations address specific actions that are drawn from the determinations.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review is approximately 30 square miles in size. The geographic area has been purposefully designated to cover all of the City of Poway's existing sphere of influence designation and surrounding lands. The geographic area is shown below along with marking Poway's jurisdictional and sphere of influence boundaries.



4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

The Poway region encompasses a geographically distinct area and captures both "East" and "North" elements of San Diego County and their different social and economic interests. The region's development, accordingly, reflects both rural and urban landscapes paired with significant open-space resources and codified in the City of Poway's official maxim as the "City in the Country." The

region's development also differs from other local municipalities given the impetus to incorporate the City of Poway was less about breaking from the County of San Diego and more about preserving its existing characteristics – developed under the County – and protecting against annexation to the City of San Diego. These characteristics are further defined by the slow-growth orientation of the City of Poway as the focal point of the region and as successor agency to five special districts; the latter of which – significantly – enables the City to directly sync services (i.e. water, wastewater, fire, etc.) with development within its jurisdictional boundary. Also serving to define the region is the high-performing Poway Unified School District and extensive cultural and recreational amenities.

A review of the City of Poway relative to the Commission's growth management tasks and interests produces eight central themes or conclusions. These conclusions collectively address the availability, need, and adequacy of services within the City of Poway as the consolidated service provider in the region and range in substance from addressing demand-to-capacity relationships to overall financial standing. The conclusions also address potential sphere changes. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2015 and 2019 and detailed in the agency profile.

- **No. 1 | Introductory Municipal Service Review**
  This report represents San Diego LAFCO's inaugural municipal service review dedicated to the Poway region and the lone subject agency of record – City of Poway. Consequently, the report serves as a dual introduction. This is marked by addressing relatively new LAFCO statute and responsibilities to the City of Poway in real-time while proceeding with an otherwise unfamiliar and relatively detailed service review process. The introduction similarly reorients the municipal service review for the Commission to focus on establishing baseline information with the intention of expanding and/or redirecting the analysis in future reports.

- **No. 2 | Revisiting a Successful Reorganization**
  This report separately marks the first formal opportunity for San Diego LAFCO to revisit its approval in 1980 to comprehensively reorganize municipal services in the Poway region with the incorporation of the City of Poway and the concurrent dissolution of five special districts. The report confirms the reorganization has met Commission expectations 40 years later in effectively consolidating land use and municipal service planning within one local governmental entity and in doing so eliminating duplicative and fragmented government.

- **No. 3 | An Atypical Suburb**
  The region's geographic setting encompasses both "East County" and "North County" orientations and contributes to a unique growth footprint leading to an atypical suburban community in metropolitan San Diego County. This footprint equally blends rural and urban

uses and purposefully guided by the region's social and economic anchor in the City of Poway and its adopted tagline as the "City in the Country." A tangible outcome of this footprint is measurably slower growth and development in the region compared to other suburban communities in San Diego County despite proximity to major transportation corridors.

- **No. 4 | Creation of a Municipal Greenbelt**
  Close to one-third of the City of Poway jurisdictional boundary has been purchased by the City and dedicated as open space with compatible recreational uses. A considerable portion of this open space lies along Poway's eastern perimeter and – among other outcomes – produces a municipal greenbelt controlled by the City and protects against otherwise unwanted encroachment from the adjacent unincorporated areas – including Ramona.

- **No. 5 | Distinguishing Demographics**
  Demographic information for the region shows increasing affluency within its social and economic anchor – City of Poway – and headlined by substantially higher and rising household incomes paired with substantially lower and falling poverty rates relative to overall averages in San Diego County. Relatedly, Poway is increasingly home to white-collar workers with more than one-half of all adults 25 years of age or older in Poway having bachelor's degrees, almost double the countywide average.

- **No. 6 | Housing Challenges and Impact on Orderly Growth**
  Only 385 new housing units have been constructed in the region and specially within the City of Poway since 2010 and represents an overall increase of 2.3%. This housing production is more than two times lower than the equivalent amount of new construction for the entire San Diego County – 5.9% – and underlies an increasing affordability challenge with the average monthly housing cost in Poway being one-half higher than the remainder of the county. It also – significantly – counters the Legislature's notion of orderly growth in LAFCO statute.

- **No. 7 | Adequate and Excess Municipal Service Capacities**
  The City of Poway is the municipal service hub for the region and through the end of the report period has established adequate capacities to meet current demands relative to its core growth-supporting functions: fire protection and emergency medical; wastewater; potable water; parks and recreation; and community development. Notably, no substantive deficiencies have been identified and all core functions have excess capacities to accommodate anticipated growth within the immediate future.

- **No. 8 | Positive Financial Standing with One Exception**
  The City of Poway improved its financial standing during the report period as measured by its audited net position with an overall 10% increase. This improvement has been aided by achieving an average total margin of 2% over the corresponding 60-month period and contributes to an ending General Fund balance sufficient to meet 12 months of operating expenses. A key exception involves underfunded pension program with CalPERs and reflected in a low composite funded ratio of 70% at the end of the report period.

4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO, City of Poway, or other local agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations LAFCO action are dependent on a subsequent directive from the Commission and through the adopted workplan.

1. San Diego LAFCO should update its statutory program on disadvantaged unincorporated communities and concurrently revisit the eligibility of lands immediately to the north of the City of Poway's sphere of influence in San Pasqual Valley and the potential merit therein to extend municipal services consistent with the associated legislation.

2. It would be timely for the City of Poway to perform an update to the General Plan (1991) to reflect changes in State planning law as well as to reflect potential changes in community vision. An update to the General Plan also – pertinently – would aid San Diego LAFCO align its regulatory and planning duties going forward in step with current local conditions.

3. The limited progress in building new housing in the City of Poway suggests City policies and/or procedures should be revisited and revised to more effectively meet the needs for persons and families of all incomes and in doing so promote orderly development.

4. San Diego LAFCO should expand the analysis of this introductory document as part of the next scheduled municipal service review covering the City of Poway to more fully address other key service functions – including law enforcement, flood control, etc. – to provide a more complete accounting of public services in the City consistent with statutory intent.

5. San Diego LAFCO should revisit fire protection and emergency medical services in the City of Poway as part of an expected update to the Commission's countywide fire service study.

6. No reorganization alternatives have been identified by San Diego LAFCO that merit analysis at this time. It would be appropriate, nonetheless, for LAFCO to revisit potential reorganization opportunities in conjunction with completing future projects, including upcoming municipal service reviews on other local agencies in the region.

7. San Diego LAFCO should proceed to update the City of Poway's sphere of influence with no changes at this time. LAFCO should relatedly defer consideration of any individual sphere amendment requests to the next update unless special circumstances warrant otherwise.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements of reasonable facts based on information collected, analyzed, and presented in this report's subsequent sections. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services in the region by the City of Poway specific to the Commission's growth management duties and responsibilities. An abbreviated version of these determinations will be separately prepared for Commission consideration in conjunction with accepting the final report.

These determinations address the specific factors required in statute as part of the municipal service review process and represent statements of reasonable facts as legislatively determined by San Diego LAFCO and based on information analyzed between 2015 and 2019.

5.1 Growth Projections & Related Demographics

1. San Diego LAFCO independently estimates there are 49,704 total fulltime residents within the City of Poway's jurisdictional boundary as of the end of the report period. An additional 140 unincorporated residents are estimated to reside within the Poway sphere of influence.

2. The portion of San Diego County's overall resident population within the City of Poway has decreased over the five-year report period from 1.6% to 1.5%; a difference of 6%.

3. San Diego LAFCO estimates the annual rate of new resident population growth in the City of Poway during the report period has been 0.4%. This growth rate is one-half lower than the corresponding rate for all of San Diego County and reflects the City's the slow-growth focus.

4. The City of Poway's jurisdictional boundary spans 39 square miles or 25,039 acres and produces a ratio of 2.0 residents for every acre at the end of the report period. This is the lowest ratio of residents per acre among all 18 incorporated communities in San Diego County and captures the City's relatively unique and blended urban-rural landscape.

5. San Diego LAFCO projects the current resident population growth rate in the City of Poway will generally proceed unchanged over the report timeframe. Should the projection hold, there will be a net increase of 999 residents – or 200 each year – and reach 50,538 by 2024.

6. San Diego LAFCO should coordinate with the City of Poway and SANDAG to develop current buildout estimates (i.e. current relative to existing zoning) specific to the City and incorporate the information into the next municipal service review.

7. Housing production in City of Poway totals 17,100 dwelling units at the end of report period and represents an overall increase of 2.3% – or 385 annually – since 2010. This level of housing production is two times below the corresponding housing production rate for all of San Diego County and serves to quantify and facilitate the City's slow-growth orientation.

8. Residents within the City of Poway tend to be relatively affluent with an average median household income at the end of the report period of $110,468 and nearly double than the corresponding amount for all of San Diego County.

9. Residents within the City of Poway tend to encounter additional housing challenges with the average monthly mortgage and rent costs being $2,321 at the end of the report period and almost one-half higher than the corresponding amount for all of San Diego County.

10. Residents within the City of Poway tend to be measurably older with a medium age of 45 at the end of the report period and one-third higher than the corresponding amount for all of San Diego County.

11. Residents within the City of Poway continue to experience relatively low levels of unemployment with the average at the end of the report period equaling 3.8% and more than one-quarter lower than corresponding amount for all of San Diego County.

12. Residents within the City of Poway tend to be relatively more homogenous with non-English speaking residents at the end of the report period totaling 6.7% and nearly three times lower than the corresponding rate for all of San Diego County.

5.2 Location and Characteristics of Disadvantaged Unincorporated Communities

1. There are no lands within or adjacent to the City of Poway's sphere of influence qualifying as disadvantaged unincorporated communities or DUCs under current San Diego LAFCO policy based on 2016 census information.

2. An approximate 920-acre area in San Pasqual Valley immediately north of the City of Poway sphere of influence previously qualified as a DUC under San Diego LAFCO policy based on 2010 census information. It would be appropriate for LAFCO to update the DUC program with current census information and concurrently revisit the eligibility of referenced area and potential merits and/or needs to extend municipal services as prompted under statute.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The City of Poway is a full-service municipality and marked by providing five primary functions that underlie growth and development and most pertinent to San Diego LAFCO and its statutory interests: fire protection and emergency medical services; wastewater; potable water; parks and recreation; and community development.

2. San Diego LAFCO determines the five primary service functions provided by the City of Poway and identified in the preceding statement have adequate capacities and there are no critical infrastructure needs or deficiencies in meeting current or near-term demands.

3. With respect to fire protection and emergency medical services, San Diego LAFCO determines the following.

   a) The City of Poway's integrated fire protection and emergency medical service function were inherited at the time of incorporation in 1980 from the Poway MWD. This function is categorized as structural and advance life service classes, respectively.

   b) The City of Poway's fire protection and emergency medical services are delivered out of three fire stations via contract dispatch from the City of San Diego and augmented by automatic aid agreements with surrounding jurisdictions – including, and most notably in terms of usage, San Diego, Ramona MWD, and Lakeside FPD.

   c) Onsite arrivals for fire protection and emergency medical services in the City of Poway have moderately increased by 6% during the report period with an overall average demand of 14 incidents each day.

d) The City of Poway responded on average – exclusively or in combination with outside agencies – to 91% of all onsite incidents involving fire protection and emergency medical in its jurisdictional boundary over the report period.

e) The City of Poway has a relatively low and decreasing dependency on outside agencies with an average of only 10 out of 100 onsite incidents involving fire protection and emergency medical necessitating aid-only responses during the report period.

f) The City of Poway's fire protection and emergency medical services account for 28% of the General Fund at the end of the report period. The portion of the General Fund dedicated to fire protection and emergency medical has increased by 20% over the corresponding 60 months.

4. With respect to wastewater services, San Diego LAFCO determines the following.

a) The City of Poway's wastewater functions commenced in 1980 following its incorporation and becoming successor agency to the Pomerado CWD. This service function is categorized as collection only; treatment and disposal are contracted with the Cities of San Diego and Escondido.

b) The City of Poway's collection system extends throughout its western jurisdictional boundary as well as into portions of Rancho Bernardo and Scripps Ranch in the City of San Diego. The estimated wastewater service population at the end of the report period is estimated at 34,266 and represents 69% of the total estimated City population.

c) On average close to 90% of the City of Poway's collected wastewater is sent to the City of San Diego and its Point Loma Facility for treatment. The remaining flow is directed to the City of Escondido and its Hale Recovery Facility.

d) The average daily flows generated during the report period in the City of Poway's wastewater service area has been 2.49 million gallons with an overall change of (3%). This decrease in wastewater flow coupled with the slight increase in population suggests – among other factors – there is improved efficiencies in constituent uses.

e) Average daily peak-day flows over the five-year report period within the City of Poway's wastewater service area has been 2.66 million gallons. This latter amount produces a low peak-factor relative to average day demands of 1.08 and affirmatively signals minimal inflow and infiltration within the collection system.

f) The City of Poway finished the report period operating at 42% capacity within its wastewater service area in terms of its daily contract allowance at its principal treatment facility (Point Loma) that receives close to 90% of all City flows.

g) Additional information is needed to assess the relationship between demands and contracted capacities at the City of Poway's secondary treatment facility (Hale).

h) The City of Poway's wastewater services operate as an enterprise and supported by user charges. Actual operating expenses have increased by 23% over the report period while actual operating revenues have increased by 17%; a structural shortfall of (one-third).

5. With respect to potable water services, San Diego LAFCO determines the following.

a) The City of Poway's potable water service function commenced in 1980 following incorporation and becoming successor agency to Poway MWD. This service function involves retail only with wholesale provided by the San Diego County Water Authority.

b) The City of Poway's potable water service function covers close to two-thirds of the City's jurisdictional boundary. The estimated water service area population at the end of the report period is 37,740 and represents 76% of the total estimated City population.

c) The City of Poway is dependent on potable water supplies imported from the San Diego County Water Authority and augmented by a relatively small amount of runoff in Lake Poway. The maximum available annual supply based on Poway infrastructure is 15,448 acre-feet or 4.9 billion gallons and further divided into a daily capacity of 13.8 million.

d) Annual demands within the City of Poway's potable water service area have averaged 9,281 acre-feet during the report period with an overall change of (8%). This average demand equals 60% of Poway's accessible supplies.

e) Per capita usage within the City of Poway's potable water service area has decreased by (9%) over the report period from an estimated 163 gallons to 153 gallons. It is unknown the portion of this daily use that is dedicated to indoor use and accordingly the State of California's advisory target to limit per capita usage to 55 gallons.

f) Average peak-day demands within the City of Poway's potable water service area over the report period equal 88% of accessible supplies and have increased by one-fifth. This trend merits ongoing attention and may warrant Poway to expand its treatment capacity to

protect against overtaxing storage supplies during high usage periods.

g) Total storage within the City of Poway's potable water service area is 18.1 million gallons or 55.5 acre-feet and can accommodate up to 6.7 consecutive days of average day demands generated during the report period without recharge.

h) The City of Poway's potable water services operate as an enterprise and supported by user charges. Actual operating expenses have increased by 8% over the report period while actual operating revenues have increased by 15%; a structural surplus of four-fifths.

6. With respect to parks and recreation services, San Diego LAFCO determines the following.

a) The City of Poway's parks and recreation function commenced at the time of its incorporation in 1980 and categorized into eight classes: recreation; aquatics; community parks; interpretive services; lake operations; library; cultural; and urban forestry.

b) The City of Poway's parks and recreation function has substantively evolved from an initial focus on traditional recreation (parks, playgrounds, etc.) to now include municipal open-space and a variety of cultural amenities and marked by operating the Poway Center for Performing Arts and Kumeyaay-Ipai Interpretive Center.

c) The City of Poway continues to invest in parks and recreation and headlined during the report period by completing the design and initiating construction of the $10.0 million budgeted Mickey Cafagna Community Center.

d) With 22 different park sites that collectively comprise 291 acres, the City of Poway finished the report period with almost six acres per 1,000 residents and – pertinently – double the minimum ratio required under State law (Quimby Act).

e) The average budgeted costs of the City of Poway's parks and recreation functions during the report period has been $8.27 million and accounts for nearly 20% of all budgeted General Fund monies during the report period.

f) On a proportional basis, the City of Poway budgets $118 per person for parks and recreation through its General Fund at the end of the report period. This amount is well above the $93 average ratio among all 18 cities and fourth highest in San Diego County.

7. With respect to community development services, San Diego LAFCO determines the following.

   a) The City of Poway assumed the community development function at the time of incorporation in 1980 through the transfer of land use control from the County of San Diego. This function is categorized into two broad classes: planning and engineering.

   b) The City of Poway's community development function and associated classes are principally guided by the City General Plan, which was last updated in 1991.

   c) It would timely for the City of Poway to proceed with an update to the General Plan (1991) to reflect changes in State planning law as well as to reflect potential changes in community vision. An update to the General Plan also – pertinently – will aid San Diego LAFCO align its regulatory and planning duties in step with current local conditions.

   d) The City of Poway averaged 57 development review applications annually during the report period. Overall, annual applications have increased by 18% and reflects an improving economy and investment in new construction during the 60-month period.

   e) The City of Poway averaged 2,344 building permit issuances annually – or 6 daily – during the report period. Overall, annual permits have increased by 24% and suggests – among other factors – increased landowner equity in real property to fund improvement projects.

   f) The ability of the City of Poway to appropriately accommodate housing at all levels is a key performance measurement in considering community development services as part of the municipal service review process. With this context, the following statements apply.

      i. The City of Poway received approval for its current Housing Element (2013-2020) from the State and the accommodation therein of 1,253 new housing units as part of the Regional Housing Needs Allocation process or RHNA.

      ii. Of this total allocation, only 194 – or 15.5% – of the housing units have been permitted for construction through the end of the report period.

   g) The limited progress in building housing in the City of Poway relative to quantifiable need suggests City policies and procedures should be revisited and revised as appropriate to more effectively meet the housing needs for persons and families of all incomes.

   h) The City of Poway's General Fund represent the single largest revenue source for

community development functions. The average annual amount allocated to community development services during the report period equals close to 10% of all budgeted City General Fund monies.

8. The City of Poway provides several other pertinent municipal functions directly or indirectly (contracts and franchise agreements) that support growth and development. This includes animal control, electricity and natural gas, law enforcement, public transportation, solid waste, stormwater and flood control, street maintenance, and telecommunications.

9. San Diego LAFCO should expand the analysis in the next scheduled municipal service review covering the City of Poway to more fully address these other functions and in doing so provide a more complete accounting of public services in the City consistent with statutory intent.

5.4 Agencies' Financial Ability to Provide Services

1. The City of Poway improved its overall financial standing during the report period as measured by its audited net position increasing by one-tenth from $215.8 to $237.0 million.

2. The spendable balance within the City of Poway General Fund at the end of the report period covers 12 months of typical operating expenses and is more than double the City Council's policy to maintain a reserve of no less than 45%.

3. A structural imbalance shows within the City of Poway's General Fund during the report period with the change in actual expenses outpacing the change in actual revenues by more than one-half – or 55%.

4. The City of Poway has established a substantive and increasing sales tax base with actual revenues equaling nearly one-third of all General Fund revenues during the report period. Poway collects the sixth highest amount of sales tax on a per capita basis at $298 among all 18 cities in San Diego County at the end of the report period.

5. Standard diagnostic measurements used in assessing the City of Poway's liquidity, capital, margin, and structure levels shows varied results during the report period but generally at or above industry standards. With this context, the following statements apply.

    a) Liquidity levels are high despite recent declines over the 60-month period. The amount of days' cash available to the City of Poway decreased by (16%) from 1,115 to 935.

b) Capital levels remained generally stagnant during the 60-month period with the City of Poway's debt load remaining manageable and under 30% relative to net assets.

c) The total margin – i.e. the bottom line – for the City of Poway fluctuated during the 60-month period but finished with an overall positive average of 2%.

d) The replacement rate of capital infrastructure (i.e. buildings, equipment, etc.) has fallen and decreased by one-fourth during the 60-month period from 24 to 29 years.

6. The City of Poway's composite funded ratio for pension obligations at the end of the report period finished at 70% based on market value and below industry standards. The ratio has also slightly decreased by (0.4%) over the 60-month period despite an corresponding increase of one-fifth in annual pension payments made by the City.

7. Public safety costs represent the largest demand on the City of Poway's General Fund and accounted for 55% of all budgeted expenses at the end of the report period. Overall, the portion of the General Fund dedicated to public safety expenses has increased by one-fifth over the corresponding 60-month period.

8. San Diego LAFCO should revisit fire protection and emergency medical services and costs in the City of Poway as part of an update to the Commission's countywide fire service study.

5.5 Status and Opportunities for Shared Facilities and Resources

1. The City of Poway has established responsive shared resources with other public agencies in fulfilling their responsibilities to provide specified municipal functions to their constituents. This includes, markedly, cooperative partnerships with neighboring agencies to share and economize resources in the provision of fire protection and emergency medical through auto-aid agreements as well as contracting for wastewater treatment.

5.6 Local Accountability and Government Restructure Options

1. The comprehensive reorganization of the region in 1980 with the incorporation of the City of Poway and the concurrent dissolution of five special districts has proven successful in syncing land use and municipal service planning under one cohesive governmental unit. The reorganization has empowered the City Council to pace growth within the City while also curbing fringe developments in the adjacent unincorporated areas by controlling core urban-supporting service functions in the region and most notably water and wastewater.

2. The City of Poway operates as a general-law municipality and draws on corporate and police powers established by the State Legislature. The City Council utilizes three standing committees comprised of resident appointees to further inform decision-making: (a) Budget Review; (b) Parks and Recreation; and (c) Traffic Safety.

3. The City of Poway Council regularly meets on the first and third Tuesday each month at 7:00 P.M. with live and recorded online streaming services and in doing so provides sufficient opportunities for constituent engagement in the decision-making process.

4. The City of Poway maintains a comprehensive and user-friendly website that meets all requirements recently established by the Legislature for local government agencies (Assembly Bill 2257 and Senate Bill 939) and helps expedite timely information sharing.

5. Senior management for the City of Poway proved responsive and helpful in the preparation of this report and reflects a high-level of organizational aptitude and efficiency.

6. Other local agencies that provide one or more municipal services directly in the Poway region include Palomar Healthcare District and Pomerado Cemetery District and will be addressed by San Diego LAFCO as part of separate and future municipal service reviews.

7. No reorganization alternatives have been identified by San Diego LAFCO that merit analysis at this time. It would be appropriate, nonetheless, for LAFCO to revisit potential opportunities in conjunction with completing future projects, including upcoming municipal service reviews on other local agencies in the region as well as updating the countywide fire service study.

8. San Diego LAFCO should proceed to update the City of Poway's sphere of influence with no changes. LAFCO should also defer consideration of any interim requests for sphere amendments unless special and unexpected circumstances warrant otherwise.

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CHAPTER THREE | AGENCY PROFILE

CITY OF POWAY

1.0 OVERVIEW

Lake Poway



Photo Credit: New York Times

The City of Poway is a general law municipality incorporated in December 1980 and self-identified as the "City in the Country." Incorporation proceedings were initiated by the County of San Diego following two unsuccessful attempts at cityhood in the 1970s and done so in response to increasing community interest to further localize land use decision-making. Incorporation also included the reorganization and dissolution of five special districts with Poway serving as successor agency and assuming pre-established water, wastewater, and fire protection services in the community. Poway is fourth largest municipality in terms of size and encompasses an approximate 39-square mile jurisdictional boundary within inland-central San Diego County and immediately adjacent to the west and south by the City of San Diego and the unincorporated community of Ramona to the east. Close to one-third of the jurisdiction has been set aside as preserved natural open-space and this includes Lake Poway, which doubles as a prominent recreational site as well as a municipal water reservoir. Governance is provided by a five-member Council with a directly elected Mayor. The average tenure on the Council among current members is six years with the longest tenures belonging to Dave Grosch and John Mullin at 10 years.

Poway is a full-service municipality with limited exceptions, and this includes the City directly providing – and of specific interest to LAFCO – community planning, water, wastewater, fire protection and emergency medical services, and parks and recreation. Notable exceptions involve police and animal control, which are both provided by contract through the County of San Diego. The operating budget at the term of the report period (2018-2019) was $88.7 million and has increased over the corresponding 60-month period by 14.3%. The last audited financial statements cover 2018-2019 and show the agencywide net position totaling $236.9 million with unrestricted portion tallying $71.5 million. The spendable balance within General Fund totaled $50.8 million and represents the equivalent of covering 12 months of operating expenses based on recent actuals.[7]

[7] Actual operating expenses within the General Fund totaled $50.1 million in 2018-2019.

LAFCO independently estimates the fulltime resident population within the City of Poway is 49,704 as of the term of the report period. It is also projected the estimate of fulltime residents represents an overall increase of 1,728 since 2010 – or 192 annually – with a resulting annual growth rate of 0.40%, which is less than one-half the corresponding countywide rate of 0.86%. The median household income within the City is $102,338 based on the most recent five-year period average and is more than one-half – or 53.8% – higher than the countywide average of $66,529. There are no disadvantaged unincorporated communities adjacent to the City's boundary or sphere of influence.

2.0 BACKGROUND

2.1 Community Development

Blaisdell Family Nursery Ranch, Poway
Circa 1887



Photo Credit: San Diego History Center

The area comprising the City of Poway began its present-day development in the late 1700s as migrants arrived with the establishment of rule by Spain and later Mexico as successors to indigenous Diegueno and Luiseno bands that had previously resided in the Poway Valley (Pauwai). A Mexican grant covering most of the area titled Rancho Paguai was issued to Rosario Aguilar in 1839, but later rescinded. The substantive result of the grant being voided was the immediate division and development of the area by various homesteaders in step with the end of the Mexican-American War in 1848 and California's statehood in 1850. One of these early homesteaders was the Blaisdell family and are credited with opening the first commercial nursery business in San Diego County.

Poway Road
Circa 1910s



Photo Credit: San Diego History Center (pending)

The first official census for the Poway "township" was performed in 1870 and estimated the total number of residents at 91.[8] The population increased to an estimated 256 as part of the 1900 census with most of the area under agricultural use and highlighted by large plantings of table grapes and orchards given frost-free conditions and internally connected by Poway Road. Early travel and in out of the area, however, was largely limited to one road (Pomerado Road) with no nearby railroad lines. The combination of agricultural productivity with limited access to the area curbed additional growth and the

[8] The entire census population estimate for San Diego County was 4,951 in 1870.

Poway township was removed as a census designation for most of the first half of the 20th Century.

The end of World War II and the associated societal changes marked a pivot for Poway as it began to transition from agriculture towards suburban uses. This transition towards more urban uses also necessitated the establishment of local municipal services. Most notably, this included the formation of the Poway Municipal Water District (MWD) in 1954 to provide retail water service as a new member of the San Diego County Water Authority through its own contracted supply to the Colorado River via the Metropolitan Water District of Southern California.[9] Wastewater services were also subsequently established with the formation of the Pomerado County Water District (CWD) in 1957.

Poway Road to the East
Early 1960s

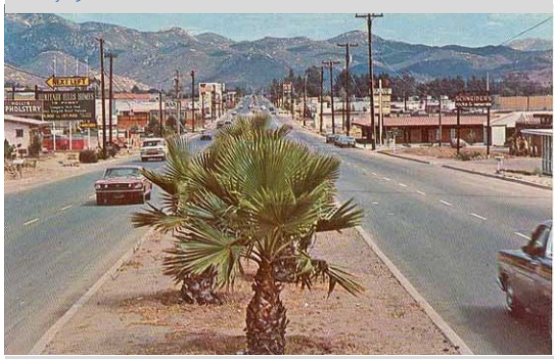


Photo Credit: Derrick Garbell

Interest in incorporation followed in the early 1960s and first as a response to failed proposal to annex Poway to the City of San Diego in 1963. The annexation proposal had been approved by LAFCO but rejected by voters. The community of approximately 8,200 proceeded to explore self-governance and led to an initial incorporation attempt in 1972 but terminated due to a lack of qualifying petition signatures. A second incorporation attempt was made in 1976 with the prerequisite number of petition signatures as well as approval from LAFCO but rejected by voters with only 36% in favor of cityhood.

Anti-Annexation Cartoon (1964)



Courtesy: Poway News Chieftain

2.2 Incorporation Proceedings

Beginning in 1979, the County of San Diego began preparing incorporation proposals for Poway, Santee, and Fallbrook as part of a County General Plan policy to facilitate cityhood for areas with sufficient revenues to support stand-alone municipal service activities. The incorporation proposals for Poway and Santee were completed together and approved by the Board of Supervisors in March 1980 and forwarded for LAFCO consideration. LAFCO conditionally approved the Poway incorporation in June 1980 as a council-manager government along with the concurrent dissolution and conveyance of duties of five pre-existing special districts: Poway MWD (water and fire protection); Pomerado CWD (wastewater); Orchard Water District (water); County Service Area No.

[9] Poway MWD was also empowered at the time of its formation to provide fire protection and emergency medical services.

5 (road maintenance); and County Service Area No. 48 (park and recreation). Conditions were satisfied in November 1980 when registered voters in Poway approved incorporation by 52.8% to 47.2% along with electing an initial five-member City Council.[10] The effective date of incorporation was also set to December 1, 1980.

2.3 Post-Incorporation Proceedings

A summary of notable activities undertaken by the City of Poway and/or affecting the City's service area following its incorporation in 1980 is provided below.

- The City of Poway adopts a Comprehensive Plan in October 1983. The Comprehensive Plan includes under one cover a General Plan and Zoning Ordinance.

- The Poway Business Park along Scripps Poway Parkway begins developing in the late 1980s and subsequently spans to include more than 400 businesses and approximately 17,000 jobs.

- LAFCO establishes a sphere of influence for the City of Poway in August 1985. The sphere is set to include all incorporated lands along with approximately 3,400 unincorporated acres to the immediate east of the City. An approximate 1,515-acre special study area is also established to the southeast of the City involving Sycamore Canyon.

- Proposition FF is approved in 1988 and requires voter approval in the City of Poway to upzone and/or rezone any lands designated as open space or rural resident in the City General Plan.

- A major review and update to the Poway Comprehensive Plan is adopted by the City of Poway in November 1991 and includes new Public Facilities, Transportation, Resources, Public Safety and Housing Elements.

- LAFCO updates the City of Poway's sphere of influence in August 2005 with no changes while also removing the Sycamore Canyon special study area. The sphere is subsequently reviewed and updated with no changes again in March 2008.

- The City of Poway adopts an updated Housing Element in May 2013 to comply with the State Department of Housing and Community Development or "HCD." This update covers 2013-2020. The next Housing Element update is currently under preparation and must be certified by HCD in April 2021.

[10] The initial elected members of City Council consisted of Bob Emery, Bruce J. Tarzy, Clyde Rexrode, Mary L. Shepardson, and Linda L. Oravec.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

The City of Poway's existing jurisdictional boundary spans approximately 39 square miles and covers 25,039 acres (parcels, water bodies, and public rights-of-ways). This makes Poway the fourth largest of the 18 incorporated communities in San Diego County. Poway borders the City of San Diego on two sides and this includes the neighborhoods of Scripps Ranch to the south and Rancho Bernardo to the west. The City of Escondido lies to the far north while the unincorporated communities of Ramona and San Pasqual Valley lies to the east. Poway is one mile east of Interstate 15 and directly links the City to the San Diego, Riverside, and San Bernardino metropolitan areas. Elevation ranges from 480 to 2,250 feet above sea level. There were 30,875 registered voters in Poway at the end of the report period.

The City of Poway's jurisdictional boundary currently spans 39 square miles and covers 0.9% of all of San Diego County. The jurisdictional boundary is whole and does not include any unincorporated islands.

Poway's jurisdictional boundary has remained relatively static since incorporation in 1980. The only changes to the jurisdictional boundary involved Poway's successful annexation of three non-contiguous areas totaling 1,325 acres in 1986. This lone annexation, notably, facilitated the expansion of Poway's park and recreation program and part of an agreement with Bureau of Land Management for the City to assume management of the open space lands. Three other proposals involving annexations to Poway were subsequently filed with LAFCO but separately withdrawn by the applicants. Poway does not include any entirely or substantially surrounded unincorporated islands

Total assessed value (land and structure) in Poway's jurisdictional boundary is $10.9 billion as of December 2019 and translates to $0.431 million for every acre within the City. The former amount further represents $0.218 million in assessed value for every resident based on the estimated population of 49,539. The assessed value in Poway has also increased by 23% over the five-year report period. Poway receives ******% of the annual 1.0% of property tax collected within the City.

The City of Poway's total assessed value increased from $8.9 billion to $10.9 billion during the five-year report period; a difference of 23%. Poway collects $**** for every $1.00 collected in property tax.

The jurisdictional boundary is currently divided into 16,185 assessor parcels for tax purposes totaling 23,604 acres.[11] Slightly more than three-fourths of the assessor parcel acreage is under private ownership with 82% already developed, albeit not necessarily at the highest zoning density allowed. The remainder of private acreage in Poway is entirely

There are more than 1,000 existing parcels covering 3,277 acres within the City of Poway that are privately owned and entirely undeveloped.

[11] The remaining acreage within the jurisdiction – 1,435 acres – consists of public right-of-ways and related dedications – including water bodies.

undeveloped and consists of 1,023 vacant parcels that collectively total 3,277 acres.

City of Poway
Boundary Breakdown of Assessor Parcels
Table 3.1a (Source: Esri and San Diego LAFCO)

Total Parcel Acreage	Parcel Acreage Privately Owned	Privately Owned and Developed Acreage	Privately Owned and Undeveloped Acreage	Total Assessed Value in 2014	Total Assessed Value in 2019
23,604	17,992 or 76.2%	14,715 or 81.8%	3,277 or 18.2%	$8.9 billion	$10.9 billion

The City of Poway's motto is "City in the Country" and it places a premium on preserving open space land and keeping the City's rural character.

With respect to germane land use policies within the jurisdictional boundary, the City of Poway's General Plan goals include preserving a balance between the community's rural character and well-planned residential/commercial/industrial development. The General Plan calls for maintaining most of Poway's land as open space to provide the community with a natural buffer. An additional 5% of the land is designated for agriculture. Most of the open space is located in the foothills that surround Poway. Other open space areas include Lake Poway, the Blue Sky Ecological Reserve, and the Twin Peaks and Boulder Mountain areas. Residential growth is anticipated primarily within the low-density single-family category through 2040. However, the hilly topography and lack of municipal services in designated very low-density areas generally results in few developed sites. Additional information is footnoted.[12]

3.2 Sphere of Influence

The City of Poway's sphere of influence includes all incorporated lands as well as 2,114 non-jurisdictional acres. The last LAFCO review of the sphere was completed in 2008.

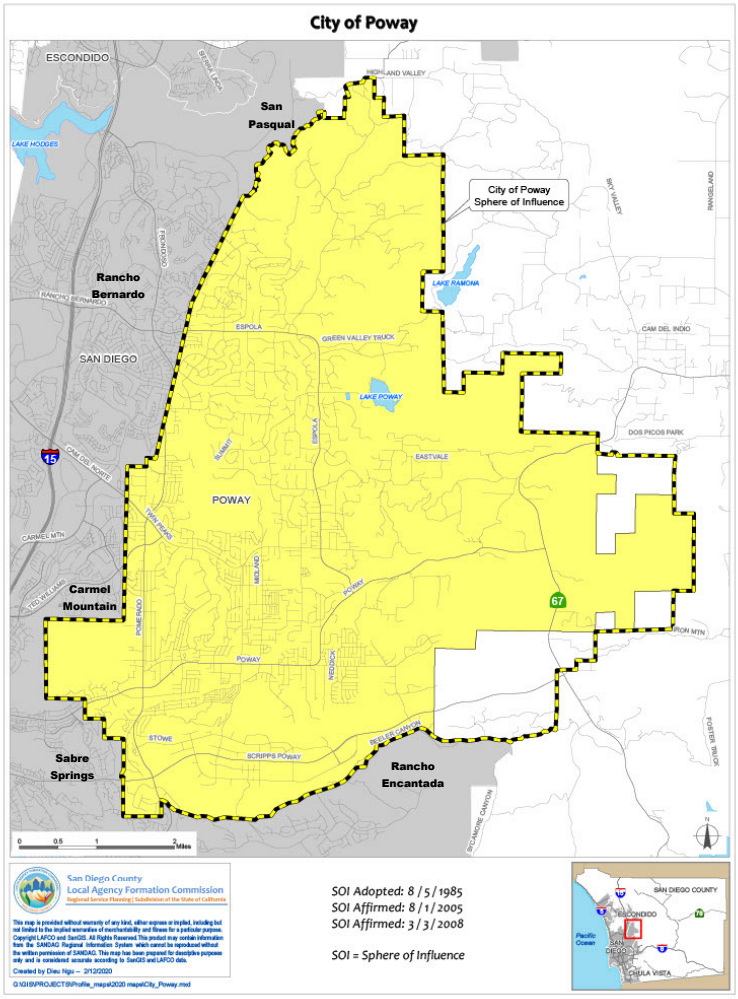
The City of Poway's sphere of influence was established by LAFCO in August 1985 with a "larger-than-agency" designation. This inaugural designation included all the jurisdictional boundary as well as approximately 3,400 unincorporated acres along Poway's eastern boundary and highlighted by portions of Iron Mountain and Los Penasquitos Canyon. (An additional 11,500 unincorporated acres to the east – including Hidden Valley, Starvation Mountain, and Mount Woodson – were considered for inclusion in the sphere at the request of Poway to align with the City General Plan but ultimately excluded by LAFCO.) LAFCO also established a special study area to include 1,515 acres of unincorporated land to the southeast known as Sycamore Canyon. LAFCO subsequently reviewed and updated Poway's sphere

[12] Poway experienced a significant increase in commercial and light industrial development over the past twenty years, primarily in the 900-acre Poway Business Park. The Business Park has 9 million square feet of building space for light industrial and manufacturing uses, warehousing and distribution, and research and development businesses. Currently, over 400 businesses with more than 17,000 employees are located in the Business Park. New commercial and industrial development is expected to be in existing parcels and infill development conversions, primarily along Poway Road.

of influence in 2005 and 2008 without any changes while also eliminating the special study area involving Sycamore Canyon given the prior development plans for the area was abandoned. Overall, and adjusting for the annexations approved by LAFCO in 1986, there are currently 2,144 non-jurisdictional lands in the sphere and comprise 89 assessor parcels.

There are no lands within or adjacent to the City of Poway's sphere of influence qualifying as disadvantaged unincorporated communities or DUCs under LAFCO policy.[13]

3.3 Current Boundary and Sphere Designations



Quick Facts

Boundary

#

39 square miles or 25,039 acres

Divided into 16,185 assessor parcels

15,738 of the 16,185 total assessor parcels are privately owned - or 97.2% - and tally 17,992 acres

1,023 of the privately owned assessor parcels are entirely undeveloped and combine for 6,347 acres

- This means 35.3% of privately owned land remains undeveloped

$10.9 billion in total assessed value

Sphere

Established in 1985

Last updated in 2013

8.6% larger than boundary

No adjacent DUC lands

[13] DUCs are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income and as further prescribed under LAFCO policy.

4.0 DEMOGRAPHICS

4.1 Population and Housing

The City of Poway's fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 49,539 as of the term of the five-year report period. This estimate represents 1.5% of the countywide total. It is also estimated the overall resident population has risen by 3.6% – or 1,728 – from 47,811 and the last census reset in 2010. This translates to an annual population change of 0.40% and is about one-half lower than the corresponding growth rate of 0.86% for the entire county. The current estimate also produces a population density of 2.0 residents for every one acre. It is projected the current growth rate will generally maintain in the near-term and result in Poway's resident population increasing by 999 – or 200 each year – and reach 50,538 by 2024.

It is estimated there are 49,539 fulltime residents within the City of Poway with an annual change of 0.40% during the five-year report period. It is also estimated Poway's population will similarly increase over the next five-years and add 200 residents per year and reach 50,538 by 2024.

City of Poway
Resident Population
Table 4.1a (Source: Esri | San Diego LAFCO)

Factor	2010 Estimate	2019 Estimate	Annual Change	2024 Projection
City of Poway	47,811	49,539	0.40%	50,538
San Diego County	3,095,264	3,333,975	0.86%	3,479,823

LAFCO separately estimates 17,100 residential dwelling units within Poway's jurisdictional boundary through the term of the report period. This amount represents an increase of 385 since 2010 for an annual gain of 43 units. With respect to housing characteristics within Poway, and based on five-year averages, 72% are owner-occupied, 26% are renter-occupied, and the remaining 2% vacant. The average household size is 3.0 and marks a minimal change over the preceding period average of 2.9. The median monthly housing cost, dissimilarly, has decreased by (6.5%) over the preceding period from $2,483 to $2,321. The median housing costs, nonetheless, remains well above the countywide average of $1,578.

Housing production in the City of Poway currently totals 17,100 dwelling units; an amount that has increased by 385 since 2010. The average monthly housing cost in Poway is $2,321 and almost one-half – 47.1% – higher than corresponding average in all of San Diego County.

City of Poway
Housing Characteristics
Table 4.1b: (Source: Esri and San Diego LAFCO)

Factor	City of Poway	San Diego County
2010 Housing Units	16,715	1,164,766
2019 Housing Units	17,100	1,233,127
… Net Change	+385	+68,361
Household Size (5-year average 2007-2011)	2.95	2.79
Household Size (5-year average 2012-2016)	3.04	2.87
… % Change	3.05%	2.88%
Monthly Housing Cost (5-year average 2007-2011)	$2,483	$1,540
Monthly Housing Cost (5-year average 2012-2016)	$2,321	$1,578
… % Change	(6.53%)	(2.47%)
2010 Vacancy Rate	3.51%	6.69%
2019 Vacancy Rate	2.20%	5.45%
… % Change	(37.30%)	(18.53%)

4.2 Age Distribution

The median age of residents in the City of Poway is 44.5 based on the current five-year period average. This amount represents an overall increase of 2.1% from 43.6 over the preceding five-year period average; it is also more than one-third – or 35.4% - higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 also make up more than one-half of the total population at 53.2% and represents a further separation of three-fold from the countywide total of 47.0% during the two periods.

The City of Poway residents tend to be significantly older relative to countywide average at 44.5 compared to 35.3.

City of Poway
Median Age
Table 4.2a: (Source: American Community Survey)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	43.55	44.46	2.09%
San Diego County	34.60	35.30	2.02%

City of Poway
Prime Working Age, 25-64
Table 4.2b: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	55.42%	53.21%	-3.99%
San Diego County	53.4%	47.0%	-11.99%

4.3 Income Characteristics

The median household income in the City of Poway is $110,468 based on the current five-year period average. This amount represents an overall decrease of (3.4%) from the preceding five-year period average of $115,001. The current median household income, nonetheless, remains nearly double more than the countywide average amount of $66,529 and one of the highest averages among the 18 cities in San Diego County. Separately, the current average rate of persons living below the poverty level in Poway is 6.3% and more than double below the countywide average of 14.0%.

The City of Poway has maintained a relatively high household incomes as well as low poverty rates compared to countywide averages during the five-year report period. Markedly, the current median household income average of $110,468 is the 3rd highest tally among all 18 incorporated communities.

City of Poway
Median Household Income
Table 4.3a: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	$115,001	$110,468	(3.94%)
San Diego County	$63,857	$66,529	4.20%

City of Poway
Poverty Rates
Table 4.3b: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	5.09%	6.25%	22.89%
San Diego County	13.00%	14.00%	7.69%

4.4 Socioeconomic Indicators

Unemployment levels within the City of Poway remain relatively low at 3.8% based on the current five-year average and almost one-quarter lower than the countywide amount of 4.9%. Unemployment levels within Poway also continue to improve and have decreased by (10.1%) over the preceding five-year period average. More than one-half – or 51.9% – of residents in Poway 25 years or older also hold bachelor's degrees based on the current average and more than two-fifths above the countywide amount of 36.5%. There has also been a sizeable increase over the two periods in the number of residents teleworking from 6.7 to 9.1%; a difference of 35.9% and more than

Residents within the City of Poway continue to experience relatively low levels of unemployment with a current average of 3.8% and more than a full percentage point below the countywide average of 4.9%. Current statistics also show Poway residents are substantively more likely to have bachelor's degrees and telework relative to countywide averages.

double the countywide change. Non-English speakers in Poway currently equal 6.7% of all residents.

City of Poway
Unemployment Rates
Table 4.4a: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	4.20%	3.77%	(10.05%)
San Diego County	5.60%	4.90%	(12.50%)

City of Poway
Four-Year College Graduates
Table 4.4b: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	49.60%	51.89%	4.62%
San Diego County	34.2%	36.5%	6.73%

City of Poway
Working from Home
Table 4.4c: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	6.70%	9.11%	35.97%
San Diego County	6.00%	7.00%	16.67%

5.0 ORGANIZATION

5.1 Governance

The City of Poway operates as a general-law municipality and draws on uniform powers established by the State Legislature as part of a council-manager system of government. Decision-making authority under this system is equally distributed among Poway's five-member City Council and consists of a directly elected Mayor and four Councilmembers representing equally populated areas – or districts – within the City with the latter the result of an October 2017 action.[14] A Deputy Mayor is selected on an annual basis. Compensation is based on the provisions of State law with the Mayor currently provided an annual salary of $23,069 compared to $16,473 for Councilmembers.[15] Summary minutes are prepared for all meetings; audio and video recordings are also produced and posted

The City of Poway Council regularly meets on the first and third Tuesday each month at 7:00 P.M. in the Council Chambers located at 13325 Civic Center Drive in Poway (92064).

[14] On October 3, 2017, the Poway City Council adopted an ordinance establishing by-district elections for offices of council members consistent with best practices and align more closely to the intent of California Voting Rights Act with respect to enfranchising more constituents.
[15] The mayor and councilmembers also receive similar pension and healthcare benefits.

online. A listing of current City Council members and their respective backgrounds follows.

City of Poway
City Councilmembers
Table 5.1a: (Source: City of Poway)

Member	Title	Background	Initial Council Year
Steve Vaus	Mayor	Recording Artist	2012
Caylin Frank	Deputy Mayor	Local Government Analyst	2018
Dave Grosch	Councilmember	Finance	2010
Barry Leonard	Councilmember	Small Business Owner	2016
John Mullin	Councilmember	Contractor	2010
		Average Experience on the Council	7 years

The City Council utilizes three standing Committees to further inform decision-making. These three Committees are identified below along with descriptions of their delegated tasks.

- The Budget Review Committee was established by the City Council to review and provide advisory input – including preparing a formal report – on the annual budget process during the spring months. The Budget Review Committee comprises five members that are appointed by the City Council and serve two-year terms with eligibility for reappointments. The Finance Department provides staffing for the Budget Review Committee with the City Manager or their designee serving as an ex officio member. No compensation is provided.

- The Parks and Recreation Advisory Committee was established by the City Council to provide advisory input on community amenities in Poway as needed. The Parks and Recreation Committee comprises five members that are appointed by the City Council and serve until two-year terms with eligibility for reappointments. No compensation is provided.

- The Traffic Safety Committee was established by the City Council to provide coordinated review and input on auto, bicycle, and pedestrian circulation and related safety issues in Poway as needed. The Traffic Safety Committee comprises staff members drawn from Poway, Poway Unified School District, and County of San Diego Sheriff.

5.2 Administration

The City of Poway Council appoints an at-will City Manager to oversee all City activities and make individual department hires. The current City Manager – Christopher Hazeltine – was appointed in April 2019 and oversees six municipal departments: community services; development services; finance; human resources; public works; and safety services. The total number of budgeted positions at the end of the five-year report period was 251.2 fulltime equivalent employees with an overall change of 5.9% during the corresponding 60-month period. A breakdown of total budgeted positions during the report period follows.

City of Poway City Hall
13325 Civic Center Drive, Poway 92064



Courtesy: Google Maps

City of Poway
Budgeted Staffing Levels
Table 5.2a (Source: City of Poway)

FY2014-2015	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019	Average	Trend
237.3	248.3	249.8	251.6	251.2	247.6	5.9%
4.87 staff per 1,000 residents	5.07 staff per 1,000 residents	5.08 staff per 1,000 residents	5.10 staff per 1,000 residents	5.07 staff per 1,000 residents	4.87 staff per 1,000 residents	4.2%

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year.

6.0 MUNICIPAL SERVICES

The City of Poway directly provides a full range of municipal services within its jurisdictional boundary. This report and succeeding analysis focus on six specific service functions underlying Poway's growth and development and of particular interest to LAFCO. These specific service functions are (a) integrated fire protection and emergency medical services; (b) wastewater; (c) potable water; (d) park and recreation; (e) community development; and (f) other – street maintenance, storm water, flood control, law enforcement, and animal control. A summary analysis of these service functions follows with respect to capacities, demands, and performance.

6.1 Fire Protection and Emergency Medical Service

The Poway Municipal Water District (MWD) established formal and integrated fire protection and emergency medical services in present day Poway in 1961. These services were initially organized on an all-volunteer basis before transitioning to a combination career/reserve model in the late 1960s. This arrangement continued through 1980 when fire protection and emergency medical service function were transitioned to the City of Poway as successor agency to Poway MWD following incorporation and establishment thereafter of the City's Safety Services Department. The Safety Services Department was subsequently separated in 2019 into two more traditional agencies: a Fire Department run by a Fire Chief reporting to the City Manager and a separate contract law enforcement function supervised by the City Manager's office and provided by the County Sheriff.[16]

The City of Poway's integrated fire protection and emergency medical service function were inherited at the time of incorporation in 1980 from the Poway MWD. This function is further categorized as structural and advance life service classes (ALS), respectively.

Service Capacities and Related Resources

The City of Poway's fire protection and emergency medical services' capacities are currently staffed by 57 budgeted fulltime employees and include 53 public safety (i.e. firefighter) personnel. The current Fire Chief – Jon Canavan – was appointed in July 2019 and responsible for overseeing five functional divisions: administration; suppression; prevention; disaster preparedness; and emergency medical services. All five division are delivered out of three fire stations and an administrative office located within Station No. 1. Poway also maintains two classrooms and a fire training tower complex to support the manipulative training and professional development activities of first responders and staff.

Poway's three fire stations are continuously staffed by a force of 17 firefighting / emergency medical personnel across three shifts for a total of 51 personnel. All 51 personnel are licensed emergency medical paramedics and work on-and-off 24-hour shifts. After working four shifts, personnel alternate between four or six days off. The two administrative chief officers are also categorized as public safety and work traditional 40-hour work weeks and respond to emergencies as needed. Additional staffing assignments are footnoted.[17] Overall, staffing levels

[16] On direction from the Poway MWD, San Diego LAFCO completed a 1978 needs assessment to evaluate station location, apparatus, and personnel needs for the community and a bond issue was placed on the ballot to relocate both Station One and Station Two and to purchase new apparatus. The bond issue passed with 79% of the voters in favor, and Station One and Station Two were moved to their existing locations.

[17] Three staffed paramedic engines, a paramedic ladder truck, two paramedic ambulances, and one incident commander are available to respond to service calls. (Engine company personnel also cross-staff ICS Type III wildland brush engines and provide staffing of a CalOES Type I engine when needed. Paramedic and Emergency Medical Technicians (EMTs) are both part of an Emergency Medical Services delivery system. An administrative 'duty chief' is available at all times and responds on greater alarm incidents.

have remained generally consistent over the five-year report period with a 60-month average of 0.87 personnel budgeted for every 1,000 residents in Poway.

City of Poway
Fire Protection and Emergency Medical Staffing - Budgeted
Table 6.1a: (Source: City of Poway)

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Public Safety	52	53	53	53	53	53	Same
Non-Public Safety	4	4	4	4	4	4	Same
Total	**56**	**57**	**57**	**57**	**57**	**57**	Same
Per 1,000 Residents	**0.88**	**0.87**	**0.87**	**0.87**	**0.87**	**0.87**	Same

Actual fire protection and emergency medical services are delivered out of three City of Poway fire stations via contract dispatch and data services from the City of San Diego Fire-Rescue Department.[18] Station details follow.

- Station No. 1 is located in southern Poway at 13050 Community Road near the Poway Road intersection. This is considered the main City of Poway Fire station, where administrative offices are located and six public safety personnel are assigned there at all times.[19]. The station was built in 1980. Responses to an average of 55% of all onsite incidents, over the five-year report period, have come from Station No. 1.

- Station No. 2 is located in north Poway at 16912 Westling Court near the Espola Road intersection. The station was built in 1980. Poway currently assigns three public safety personnel to Station No. 2 at all times.[20] Responses to an average of 14% of all onsite incidents, over the five-year report period, have come from Station No. 2.

- Station No. 3 is located in central Poway at 14322 Pomerado Road near the Ted Williams Parkway intersection. The station was built in 2005. Poway currently assigns eight public safety personnel to Station No. 3 at all times.[21] Responses to an average of 31% of all onsite incidents, over the five-year report period, have come from Station No. 3.

[18] Currently within San Diego County, the fire dispatch centers are all linked together, and the agencies have automatic aid agreements for a "closest appropriate apparatus" no matter the jurisdiction, to emergencies, including fires, rescues, and emergency medical calls. Poway shares borders with San Diego, Ramona, and Lakeside, and via the linked dispatch centers has automatic aid with these agencies. Units in Poway on automatic aid are fire engines, the ladder truck, and the Battalion Chiefs. Poway's paramedic ambulances will respond to emergencies in adjoining jurisdictions on mutual aid (by request).
[19] This includes three ALS fire engines (one primary and two reserve), two ALS ambulances (one primary and one reserve), and one incident commander/ battalion chief. Firefighters also cross-staffed on a Wildland Brush Engine and Water Tender.
[20] This includes three ALS engines (one primary and two reserve). Firefighters also cross-staffed on a Wildland Brush Engine and Water Tender.
[21] This includes three ALS Fire Engines (one primary and two reserve), two ALS Ambulances (one primary and one reserve), and one ALS Ladder Trucks.

The following table summarizes station fleet vehicle assignments.

City of Poway
Fire Station Vehicle Assignments
Table 6.1b: (Source: City of Poway)

Vehicle Type	Station One	Station Two	Station Three	TOTAL
Fire Engines	3	3	3	9
Ambulance	2	0	2	4
Other	6	1	3	10
Sub Total	**11**	**3**	**8**	**23**

The City of Poway's service capacities are augmented by maintaining response aid agreements with surrounding jurisdictions as well as participating in the California State Fire & Rescue Mutual Aid System and FEMA's Urban Area Search & Rescue.

Currently within San Diego County, the fire dispatch centers are all linked together, and the agencies have automatic aid agreements for a "closest appropriate apparatus" no matter the jurisdiction, to emergencies, including fires, rescues, and emergency medical calls. This "boundary drop", as it is known, uses automatic vehicle locators in the apparatus to determine the closest unit to the emergency. Poway shares borders with San Diego, Ramona, and Lakeside, and via the linked dispatch centers has automatic aid with these agencies. The County master agreement, or automatic aid, is in the San Diego County Emergency Operations Plan, Annex B, and reads as follows:

> 'Automatic aid is provided between participating departments in the Operational Area (OA) to combat fire, mitigate the effects of traffic collisions, and render medical assistance to the public. Jurisdictional boundary lines are dropped when auto aid is enacted. The closest resource is dispatched to the incident regardless of agency.'

Poway's resources are grouped into the Metro Zone area of San Diego County Operational Area and partners with fire departments from San Diego City, Miramar, Chula Vista, National City, Coronado, Imperial Beach, and U.S. Navy Federal. Poway also participates in the California Master Mutual Aid Plan to assist agencies throughout the state with major emergencies.[22]

[22] Automatic aid is particularly valuable in responding to larger incidents where multiple fire units are needed and when specialized rescue and fire suppression equipment is needed. Measuring automatic aid response includes identifying the percentage of an agency's total call volume where an outside agency was dispatched and determining the type of service the outside agency provided. Another performance measurement is a standards of cover analysis. It can include measuring travel times against the adopted standard and determining percentage of calls fall outside and within the standard. These are typically separate studies from a MSR.

The City of Poway's fire protection and emergency medical services operate as a general fund function and are largely dependent on all purpose tax revenues. The average adopted budget expense for fire protection and emergency medical services during the five-year report period has been $12.12 million with the most recent amount in FY2021 totaling $13.40 million. The average cost during this period equals slightly more than one-fourth of all budgeted general fund monies. Further, budgeted expenses have increased by 20% over the corresponding 60-month period.

The City of Poway's fire protection and emergency medical services are supported through the General Fund. The portion of monies budgeted to fire protection and emergency medical services over the report period equals 27.7% of the General Fund and have increased on average by 4% each year.

Service Demands

Overall service demands for integrated fire protection and emergency medical within the City of Poway during the five-year report period less year one (pending) have averaged 5,628 dispatched calls annually or 15.4 calls daily. More than one-seventh – or 14.8% – of all dispatched calls were canceled for various reasons and resulted in actual onsite arrivals averaging 5,051 annually or 13.8 calls per day. Overall, onsite incidences in Poway have been on the rise and increased by 6.0% during the 48-month period with a peak daily demand of 14.8 in 2017-2018.

Over the five-year report period less the first year (pending) onsite arrivals for fire protection and emergency medical services in the City of Poway have been on the rise and averaged 13.8 each day.

A breakdown of actual onsite arrivals show Poway responded on average to 90.5% of all onsite incidents in its jurisdictional boundary over the corresponding period. This includes – notably – responding exclusively and without outside assistance to an average of 70.3% of onsite incidences within the jurisdictional boundary. Conversely, close to one-tenth – or 9.6% – of onsite incidences in Poway were responded exclusively by one or more outside agencies. Overall onsite incidents have increased by 6.0% with a peak average daily demand of 14.8 in 2017-2018. Additional details concerning ambulance transport are footnoted.[23]

Poway responded on average to 90.5% of all onsite incidents in its jurisdictional boundary over the corresponding period. The remaining 9.5% of incidents were responded exclusively by outside agencies.

[23] Ambulance transports have remained relatively steady for the 60-month period 2015-2019 at an average of 1,770 calls annually.

City of Poway
Fire Protection and Emergency Medical Dispatch and Onsite Demands
Table 6.1c: (Source: CAL FIRE and City of Poway)

Year	FY 14-15	FY 15-16	FY 16-17	FY17-18	FY 18-19	Average	Trend	...
Total Dispatched Incidents		5,308	5,509	6,019	5,675	5,628	6.9%	Increase
Total Cancelled Calls		540	558	590	620	577	14.8%	Increase
Total Onsite Responses		4,768	4,951	5,429	5,055	5,051	6.0%	Increase
- Responded by Poway Only		70.8%	69.1%	69.5%	71.6%	70.3%	1.1%	Increase
- Responded by Poway and Others		19.4%	21.2%	21.1%	19.1%	20.2%	(1.5%)	Decrease
- Responded by Other Agencies Only		9.8%	9.7%	9.4%	9.3%	9.6%	(5.1%)	Decrease

Service Performance

It appears the City of Poway's integrated fire protection and emergency medical services as measured by staffing and equipment are adequately sized to readily accommodate existing demands relative to local conditions within the City during the 48-month period in which information is readily available. The sufficiency is quantified with Poway on average having the resources to respond exclusively to more than two-thirds of all onsite incidents. It is similarly quantified by Poway's relatively low and decreasing dependency on outside agencies during the report period with an average of only 10 out of 100 onsite incidents necessitating automatic aid-only responses. This relatively low and decreasing dependency on automatic aid is indicative that Poway has resources adequately placed to cover the jurisdiction in a timely fashion. Further, the Fire Chief attests Poway's automatic response with surrounding agencies is balanced with no agency receiving more than it provides and no areas of the City dependent on outside agency response for coverage. Poway also maintained an exemplary Class 1/1x rating by the Insurance Services Organization throughout the report period.

6.2 Wastewater Service

The City of Poway's wastewater service function commenced in 1980 following its incorporation and becoming successor agency to the Pomerado CWD. This service function comprises only collection; treatment and disposal are contracted with the Cities of San Diego and Escondido. The wastewater system predominantly covers the western portion of Poway's jurisdictional boundary.[24] It also extends into a portion of the City of San Diego (Rancho Bernardo and Scripts Ranch) as well as the unincorporated area with the latter the result of

The City of Poway's wastewater function comprise collection only and extends throughout the western City boundary as well as portions of Rancho Bernardo and Scriptp Ranch in the City of San Diego. The estimated wastewater service area population at the end of the report period is estimated at 34,266.

[24] Development in the eastern portion of the jurisdictional boundary – which is limited and generally consists of low-density residential uses – are served by onsite septic systems.

grandfathered service agreements. Overall, the total number of active connections to the Poway wastewater system at the end of the five-year report period tallied 12,245 with 11,422 – or 93.3% – categorized as residential. It is estimated the resident population within the wastewater service area is 34,266 based on 11,422 residential connections and an average household size of 3.0.

Service Capacities and Related Resources

City of Poway's wastewater system spans approximately 186 miles of internal collection pipelines made of plastic, cast iron and clay. Close to 90% of Poway's wastewater flows are conveyed to the City of San Diego and its Point Loma Treatment Facility for secondary processing with a contractual daily capacity for Poway of 5.89 million gallons. Treated wastewater at the Point Loma facility is then discharged in the Pacific Ocean utilizing an adjacent 4.5-mile outfall. The remaining 10% of Poway's collected wastewater is largely generated within the portion of the service area that extends into the City of San Diego and flows to the City of Escondido for secondary processing at the Hale Avenue Resource Recovery Facility. Treated wastewater at the Hale facility is conveyed close to 14 miles for discharge to the Pacific Ocean using a 1.5-mile outfall.

The majority of wastewater collected by the City of Poway is sent to the City of San Diego and its Point Loma Facility with a daily flow capacity assignment for Poway of 5.89 million gallons. Poway also sends a smaller portion of wastewater – typically less than 10% – to the City of Escondido and nearly all of it is generated within portion of the service area in the City of San Diego.

The City of Poway's wastewater services operate exclusively as an enterprise function with daily operations dependent on revenues generated from user charges and fees. The average adopted budget expense during the five-year report period has been $8.96 million with the most recent amount at the end of the report period totaling $10.7 million. Actual expenses have increased by 23.4% over the corresponding 60-month period while actual revenues have increased by 16.5%.

The City of Poway's wastewater services are entirely supported by user fees and related charges. Actual expenses have increased by 23.4% over the report period while actual revenues have increased by 16.5%.

The City of Poway's wastewater rates are established each year effective the first full billing cycle after January 1st. Wastewater charges are billed bimonthly and include an availability fee and commodity fee with the latter based on each associated unit of potable water billed to the property. Additional details are provided as an appendix.

The City of Poway's wastewater customers pay two charges: (a) availability and (b) commodity. The average residential customer at the end of the report period paid $101.76 bimonthly.

Service Demands

Average annual demands generated within the City of Poway's wastewater service area during the five-year report period has been approximately 908.9 million gallons. (This amount is equivalent to 2,789 acre-feet of total wastewater generated in one year.) This amount serves as a macro overview of system demands and represents a daily average flow of 2.49 million gallons. It also translates over the report period to an estimated daily average flow of 203 gallons for every service connection. Average annual demands overall during the report period have changed by about (3%); a change closely mirroring the decrease in potable water usage.

The average daily wastewater flows generated during the report period in the City of Poway's service area has been 2.49 million gallons with an overall change of (3%).

Supplementary micro measurements of recent wastewater demand within the City of Poway's service area are summarized below and reflected in the proceeding table:

- Average daily dry-weather wastewater flows over the five-year report period within Poway have been 2.47 million gallons. This flow typically is recorded between May and October and most recently tallied 2.33 million gallons at the end of the report term with an overall decrease of (6%) during the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Poway have been 2.58 million gallons. This flow typically is recorded between November and April and most recently tallied 2.56 million gallons at the end of the report term with a slight overall decrease of (1%) during the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Poway have been 2.66 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.08.

City of Poway
Recent Wastewater Demands
Table 6.2a (Source: City of Poway)

Year	Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2015	2.53	2.55	2.58	2.69
2016	2.48	2.46	2.57	2.90
2017	2.69	2.53	2.91	3.15
2018	2.34	2.46	2.30	2.53
2019	2.41	2.33	2.56	2.97
Average	**2.49 mgd**	**2.47 mgd**	**2.58 mgd**	**2.66 mgd**
Trend	**(3%)**	**(6%)**	**(1%)**	**9%**

Service Performance

The City of Poway is presently operating at 42.2% capacity within its wastewater service area in terms of its daily contract allowance at its principal treatment facility (Point Loma) that receives close to 90% of all City flows. Additional information is needed to assess the relationship between demands and contracted capacities at Poway's secondary treatment facility (Hale).

The City of Poway is currently operating with sufficient and excess capacity within its wastewater service area in accommodating existing estimated user demands generated during the five-year report period. This statement is substantiated with average day demand during the report period equaling 42.2% of the current contracted treatment capacity assigned to Poway through its primary treatment provider, City of San Diego (Point Loma Facility). The capacity consumption increases to 45.2% based on average peak-day flows recorded during the report period. These available capacities and excesses therein are not expected to substantively change over the next five-year period.

With respect to other performance measurements, the following activities are noted.

- Capital improvements are guided by a Sewer System Management Plan, which was adopted by the City Council in 2009 and most recently updated in 2019.
- Poway currently cleans approximately 400,000 feet of pipe each year. This amount represents about 25% of the current collection system and means the entire collection system is on pace to be cleaned every four-years.
- Poway operates a sewer line video inspection program as well as an inflow and infiltration (I&I) program to identify system leaks.
- Poway separately has a proactive, cooperative relationship with local restaurants to keep Fat, Oil, and Grease (FOG) out of the system and prevent spills and clogging. Backups and overflows can be the result of FOG buildup that can cause property damage, environmental problems, and other health hazards. The program has been formalized based on existing City Municipal Code regulations, (Chapter 16.103) and is a partnership between the City, the Chamber of Commerce and food establishments, to protect the environment and save money.[25]

[25] Poway's Wastewater Division contacts all food establishments within City limits to determine their current method for treating FOG. The City works with businesses to ensure they comply with all City regulations and the Uniform Plumbing Code. A Food Establishment Wastewater Discharge (FEWD) Permit is issued when the establishment is found in compliance.

6.3 Potable Water Service

The City of Poway's potable water service function commenced in 1980 following its incorporation and in conjunction with becoming successor agency to the Poway MWD. Nearly all of Poway's water supplies are purchased from the San Diego County Water Authority (SDCWA), which wholesales water from the Colorado River and the Sacramento-San Joaquin Delta through its own membership with the Metropolitan Water District of Southern California.[26] The remaining and relatively minimal amount of water supplies are drawn from runoff into Lake Poway as further described. Poway's potable water system covers close to two-thirds of the City's jurisdictional boundary with the remainder generally involving undeveloped/underdeveloped lands along the eastern perimeter.[27] Overall, the potable water system at the end of the report period tallied 13,977 active connections with 90.0% classified as residential. It is estimated the resident population within the water service area is 37,740 based on 12,580 residential connections given an average household size of 3.0.

The City of Poway's potable water service involves retail only and extends throughout most of its jurisdictional boundary with the exception of an approximate 8,066 acre-area along the eastern perimeter that is largely undeveloped and/or dependent on groundwater. The estimated water service area population at the end of the report period is estimated at 37,740.

Service Capacities and Related Resources

The City of Poway's potable water supplies are almost entirely imported and drawn from the SDCWA. This imported supply is secured through an ongoing membership agreement initially executed in 1954 with the Poway MWD and transferred to Poway as the successor agency.[28] The membership agreement entitles Poway to purchase for subsequent retailing an unlimited amount of water subject to external (i.e. Bay Delta and Colorado River flows) and internal (i.e. infrastructure) conditions. This latter condition is highlighted by limitations from Poway's connection points with the SDCWA aqueduct that Poway estimates allows up to 10.8 million gallons or 33.2 acre-feet of raw water (non-treated) each day, and if accessed continually equals 12,118.0 acre-feet annually. Supplies drawn from SDCWA equal 99.5% of all potable water retailed by Poway over the five-year report period. The remainder of Poway's

The City of Poway is dependent on water supplies imported from the SDCWA (Bay Delta and Colorado River) and augmented by a relatively small amount of runoff collected into Lake Poway. The maximum available water supply available to Poway in any one year based on existing infrastructure is 15,448 acre-feet.

[26] Poway does not have an individual contract with SDCWA. It is a member agency of SDCWA and has the ability to take up to the maximum rate on each of their connections from the untreated SWP aqueducts.
[27] Area residents within Poway's easternmost portion are not connected to the municipal water system and are entirely dependent on private groundwater wells. (There are no registered private community water systems in the area.) Available information indicates Poway's aquifers are small and located along creeks and streams. Groundwater in fractured bedrock is difficult to locate and normally requires deep wells.
[28] 2015 Poway UWMP

water supply is locally drawn from rainfall collected into Lake Poway with a maximum holding capacity of 1.075 billion gallons or 3,300 acre-feet. The combined maximum annual supply available to Poway in any one year, accordingly, equals 5.0 billion gallons or 15,448 acre-feet

City of Poway
Available Potable Water Supplies
Table 6.3a (Source: City of Poway and SD LAFCO)

Direct Source	Maximum Daily Infrastructure Capacity	Maximum Annual Infrastructure Capacity
SDCWA: Delta and Colorado River	10.8 million gallons or 33.2 acre-feet	3.9 billion gallons or 12,118 acre-feet
Lake Poway: Watershed Runoff	2.9 million gallons or 9.1 acre-feet *	1.0 billion gallons or 3,330 acre-feet
TOTAL	13.8 million gallons or 42.3 acre-feet	4.9 billion gallons or 15,448 acre-feet

* The maximum daily supply capacity for Lake Poway represents a LAFCO staff estimate and represents the division of the annual holding capacity into daily increments over a calendar year.

All of the City of Poway's water supplies – both purchased from SDCWA and watershed runoff – are collected and stored as raw water at Lake Poway and flow to the Berglund Wastewater Treatment Plant (WTP) for chlorinated disinfection. The Berglund WTP was built in 1973 and has a rated daily capacity of 24.0 million gallons or 73.6 acre-feet, which if run continuously generates a maximum annual treatment capacity of 26,864.0 acre-feet. Once treated at the Berglund WTP, the potable water leaves a 10.0 million-gallon clearwell tank and enters the distribution system through a series of pipes and pump stations. The distribution system spans 18 contiguous pressure zones that are connected through approximately 267 miles of lines.

The City of Poway's Berglund WTP has a daily treatment capacity of 24.0 million gallons. Potable water leaves the WTP and enters a distribution system approximately 267 miles total length and spans 18 connected pressure zones.

Potable water storage in the distribution system is provided by 19 reservoirs ranging in capacity from 0.010 to 2.5 million gallons and exist to maintain adequate supply during peak demand, for fire flow, or other emergencies. The reservoirs also provide pressure within the distribution system. The combined capacity of all 19 potable reservoirs is 18.1 million gallons or 55.5 acre-feet[29] All of the potable reservoirs are covered to prevent losses from evaporation and reduce pollution or contamination risks.[30]

Total potable water storage within the City of Poway's distribution system is 18.1 million gallons or 55.5 acre-feet.

[29] The City of Poway also has a 10.0 mg clear well tank to hold finished water at the Lester J. Berglund WTP.
[30] The City's surface water reservoir, Lake Poway, is a man-made surface storage reservoir with a maximum capacity of 3,300 acre-feet or 1,075 million gallons (MG). Lake Poway provides storage for emergencies and buffers the effects of peak seasonal water demands.

City of Poway
Potable Water Storage
Table 6.3b (Source: City of Poway)

Reservoir Identification	Construction (Renovation)	Capacity Size
R1	1965 (1981)	1.00 MG
R2	1981	0.70 MG
R3	1960 (2010)	1.00 MG
R4	2006	0.500 MG
R5	1955 (1998)	0.200 MG
R6	1959 (1998)	0.400 MG
R7	1975 (1998)	1.00 MG
R8	1990 (1999)	2.50 MG
R9	1959 (2000)	1.00 MG
R10	1959 (1979)	1.00 MG
R11	1997	1.50 MG
R12	1987	2.00 MG
R13	2001	0.50 MG
R14	1955 (2000)	1.50 MG
R15	1955 (2010)	0.50 MG
R16	2008	0.30 MG
R17	1980 (1998)	2.00 MG
R18	2008	0.01 MG
R19	2008	0.50 MG
		18.11 MG

The City of Poway's potable water services operate as an enterprise fund and funded exclusively from user charges and fees. The average adopted budget expense during the five-year report period has been $29.10 million with the most recent yearly amount totaling $27.60 million. Actual expenses have increased by 8.1% over the corresponding 60-month period while actual revenues have increased 14.6%.

Actual potable water expenses have increased by 8.1% over the report period while actual revenues have increased by 14.7%.

The City of Poway's potable water rates are established each year effective the first full billing cycle after January 1st. Potable water charges are billed bimonthly and include two distinct fees: fixed availability based on meter size and variable commodity based on usage. Additional rate details are provided as an appendix.

The City of Poway's potable water customers currently pay two bimonthly charges: (a) fixed availability and (b) variable commodity. The average residential customer paid $188.92 per bimonthly period based on ending totals in the report period.

Service Demands

The City of Poway's total average annual potable water demand production over the five-year report period has been 3.02 billion gallons or 9,281-acre feet. The most recent year-end amount showed total demand at 2.78 billion gallons and represents an average daily water demand of 7.7 million gallons. This latter amount is further

The City of Poway's overall annual water demands have averaged 9,281 acre-feet and produces an estimated daily per capita use of 169 gallons.

broken down into the equivalent of 153.7 daily gallons on a per capita basis given an estimated resident population of 49,539 in 2019. The average peak-day demand – the highest one-day sum in a year – over the report period was 14.86 million gallons. This latter amount produces an average peaking factor of 1.5 and shows high-demand periods increase usage by more than 8.4 acre-feet or 0.273 million gallons per day.

With respect to trends, Poway has experienced an overall change of (8.1%) in water demands over the five-year report period. However, a closer review of annual amounts shows increases most of the years covered with the final year experiencing a significant decrease and therein generating the overall reduction over the 60-month period. Overall demands and trends during the report period follow.

The City of Poway's average potable water demand during the five-year report period as measured by per capita use increased in the first four of the five report period years. The final year – notably – experienced a significant decrease and generates an overall decrease in per capita usage of (8.9%) from 163 to 153 gallons.

City of Poway
Potable Water Demands
Table 6.3c: (Source: City of Poway and SD LAFCO)

Category	2015	2016	2017	2018	2019	Average	Trend
Annual Total	8,886.5 AF	9,998.9 AF	9,790.6 AF	9,897.5 AF	8,530.1 AF	9,280.72 AF	(8.4%)
Average Day Total	24.3 AF	27.4 AF	26.8 AF	27.1 AF	23.4 AF	25.4 AF	(8.4%)
… Per Resident	162.8 MG	169.8 MG	178.1 MG	179.3 MG	153.7 MG	168.7 MG	(8.9%)
Peak Day Total	31.0 AF	35.8 AF	36.3 AF	37.0 AF	45.6 AF	37.2 AF	18.4%
… Peaking Factor	1.2	1.4	1.5	1.5	1.8	1.5	17.0%

AF = Acre-Feet
MG = Million Gallons

Service Performance

The City of Poway's potable water system is operating with sufficient and excess capacities in supply, treatment, and storage in accommodating existing demands based on usage generated during the five-year report period. These capacities are similarly expected to accommodate anticipated demands over the next five-year period with variables – including resiliency during different hydrological periods – having been appropriately evaluated by Poway in its Urban Water Management Plan (UWMP), which was most recently updated in 2015.

The City of Poway has established sufficient potable water infrastructure and related capacities and marked – and among other measurements – by the average annual demand over the report period equaling only 60% of accessible supplies under normal conditions.

The following statements qualify and quantify existing and projected relationships between Poway's capacities and demands now and going forward towards 2024. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements all public water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

Water Supply

- Average annual water production demands generated over the report period for Poway's entire distribution system represents 60.0% of the City's accessible maximum raw supply.
- The average peak-day demand within Poway's entire distribution system represents 87.9% of the City's maximum available raw water supply.

Water Treatment:

- The current daily treatment capacity at the Berglund WTP is nearly double the maximum daily raw water supply available to Poway under normal conditions.
- The average peak-day water demand over the report period for the entire distribution system represents 50.5% of Poway's existing total daily treatment capacity at the Berglund WTP.

Water Storage:

- Average peak-day demands over the report period for Poway's entire distribution system represents 67.0% of the City's existing total potable storage capacity.
- Poway's total potable storage capacity can separately accommodate up to 6.7 consecutive days of average day demands generated over the report period in the City without recharge.
- Additional information is needed to assess the relationship between peak-day demands and storage supplies within Poway's 19 individual pressure zones.

Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows there have been no drinking water standard violations issued to Poway during the report period.

- Poway's most recent water quality report was issued in 2019 and shows the results of self-monitoring conducted during the 2018 calendar year. The report is divided into testing for both primary and secondary contaminants as prescribed by the State. No excessive primary or secondary contaminants were identified.[31]

Water Rates:

- Poway's ratepayers receive two direct City charges for retail potable water service: (a) fixed availability and (b) variable commodity. Based on average monthly consumption uses during the report period, the current combined fixed and commodity charges produce an equivalent bimonthly charge for single-family residential users of $175.68.[32]

- Poway also passes a monthly wholesale charge to ratepayers from SDCWA. This charge is calculated by SDCWA and is specific to each of its 24 member agencies.

Water Conservation:

- The City of Poway has decreased its daily per capita water usage by (8.9%) over the report period from an estimated 163 gallons to 153 gallons. It is unknown the portion of this daily use that is dedicated to indoor use and accordingly the State of California's advisory target to limit per capita usage to 55 gallons.

- Poway water customers must comply with water use efficiency measures, defined in the Poway Municipal Code Chapter 8.94. These directives are more stringent than the statewide water conservation measures and include details such as landscaping irrigation timing, offering hotel and other lodging guests the option of not laundering towels and linens daily and using recycled or non-potable water for construction purposes to the fullest extent possible. Poway has also implemented two phases of a landscape conversion during the report period and involves the removal of approximately 0.285 million square feet of turf in the City with an estimate annual water savings of over 9.2 million gallons or 28.3 acre-feet.

[31] On Nov. 30, 2019, at the State's direction, Poway issued a precautionary boil water advisory following a heavy rain event that caused some stormwater overflow into part of the City's drinking water system. As part of the State's notification process, the County's Environmental Health Department issued closure notices to Poway food establishments. Poway set up two distribution points to provide bottled water to its water customers and distributed approximately 117,850 gallons (0.36 acre-feet) of water. The boil water advisory ended one week later on Friday, Dec. 6, 2019 when water samples confirmed the ongoing safety of Poway water. All testing conducted during the seven-day period confirmed the safety of the drinking water and the water system; however, it was important to follow state regulatory procedures, which called for a series of tests and water quality confirmations.

[32] This amount is based on an average household usage of 421.75 gallons each day.

- Poway's website provides comprehensive water conservation measures information. Poway businesses qualify for a free irrigation check-up to reduce water use. There are also water efficiency rebates available to businesses. A Turf Replacement Rebate Program was in effect but the current funds are exhausted and the waiting list for the program is closed.

Miscellaneous:

- The Sustainable Groundwater Management Act (SGMA) was passed into California law in 2014 and took effect in January 2015. It requires that State-designated high and medium priority groundwater basins must form one or more Groundwater Sustainability Agencies (GSAs) by June 30, 2017 and that the GSAs must develop and implement one or more Groundwater Sustainability Plans (GSPs) by January 31, 2020 for critically overdrafted groundwater basins, or by January 31, 2022 for non-critically-overdrafted groundwater basins. GSPs are considered a roadmap for how groundwater basins will reach and maintain long-term sustainability.

  Prior to SGMA passage, the Department of Water Resources developed the Statewide Groundwater Elevation Monitoring (CASGEM) program to track seasonal and long-term trends in groundwater elevations in California's groundwater basins. CASGEM priorities were used to rank the priority of each groundwater basin in California as either very low, low, medium, or high. The Poway Valley Groundwater Basin (PVGB) has been designated as a very low priority groundwater basin; thus, area agencies are not subject to SGMA requirements. While low and very low priority groundwater basins are not the focus of SGMA at this time, it is anticipated that they may need to develop GSAs and GSPs at a later time as determined by DWR and the State Water Resources Control Board.[33]

The Poway Valley Groundwater Basin (PVGB) has been designated as a very low priority groundwater basin; thus, area agencies – including the City- are not subject to SGMA requirements at this time.

[33] The City of Poway, in partnership with the City of San Diego, developed a Salt & Nutrient Management Plan (SNMP) for the Poway Groundwater Basin in 2018. The SNMP purpose is to evaluate and manage groundwater quality, both overall and with respect to recycled water use. Poway requested participation in its Water Well Sampling Program by private PVGB well owners to gather additional SNMP data. The City initially requested one-time access to the groundwater well(s) operated on private property. As part of their participation in the effort, the well owner received information on the water quality in their well. The water quality data collected through this effort was used to better understand and manage PVGB groundwater quality, augmenting an extremely limited existing groundwater quality dataset. Well owners were surveyed to gauge their interest in participating in the Water Well Sampling Program. The survey was targeted towards private well owners to participate in a one-time well sampling program to sample their wells and collect data on Total Dissolved Solids (TDS) and nitrate to be used to better understand and manage groundwater quality in the Poway Valley. Poway informed the well owners that as part of their participation in the effort, the well owner would receive information on the water quality in their well. The survey letter was also made available at the City's website5. The Well Sampling Program was further expanded to identify private wells that could be proposed for the SNMP-specific monitoring plan. Poway sent a letter to private well owners requesting their long-term participation for annual groundwater well sampling program in support of the SNMP. In addition to letters, Poway also followed-up with calls to contact private well owners to gauge their interest. As part of the proposed monitoring, Poway would coordinate with the private well owner to arrange a day and time for a City water quality technician to visit the property to sample the well. As part of this participation, well owners would receive information on the water quality in their wells, similar to the initial one-time sampling program.

6.4 Parks and Recreation Service

The City of Poway's parks and recreation service function commenced at the time of its incorporation in 1980 and are organized under the Community Services Department. These services have also evolved from an initial focus on traditional recreation (parks, playgrounds, etc.) at the time of incorporation to now include municipal open-space and a variety of cultural amenities and marked by operating the Poway Center for Performing Arts and a branch of the County of San Diego Library System. Traditional recreation, nonetheless, remains a focus and includes 22 different park sites within Poway that collectively span approximately 291 acres maintained by the Park and Recreation Department and shown in the map provided on the following page.

The City of Poway's Park and Recreation function is divided into eight distinct classes: (a) general recreation; (b) aquatics; (c) community parks; (d) interpretive services; (e) lake operations; (f) library; (g) cultural; and (h) urban forestry.

Service Capacities and Related Resources

A macro description of the City of Poway's park and recreation service function organized by class follows along with general budgetary information.

General Recreation

The City of Poway maintains two gymnasiums used for general recreational purposes: Twin Peaks Multi-Purpose Center located at 14640 Tierra Bonita Road and Meadowbrook Gymnasium located at 12320 Meadowbrook Lane. These facilities operate in conjunction with Poway Unified School District and offer classes on an extensive variety of active recreational activities including basketball, badminton and volleyball. Poway also offers special community events including festivals and open-air concerts. Twin Peaks Multipurpose Center generally operates every day of the week in the evenings, while the Meadowbrook Gymnasium operates in the evenings on weekdays and 8 A.M. to 2 P.M. Sundays.

Aquatics

The Poway Community Swim Center is a multi-use aquatic facility located at 13094 Civic Center Drive. The City of Poway directly operates the Swim Center and allocates lane and general pool space to a variety of swim, dive, water polo, and water exercise teams and classes. The Swim Center includes a heated 50 by 25-meter pool with attached diving well and shallow children's area. The facility offers one- and three-meter diving boards, open swim areas, lap swimming lanes, and full locker rooms. The Swim Center is staffed by a full complement of trained lifeguards that are present to supervise at all times. Operating hours are variable.

Community Parks

The City of Poway offers 22 parks for a variety of different community uses. The parks range in size from less than an acre at Veteran's Park to nearly 100 acres at Lake Poway. The total active acreage combined within all 22 parks is 291 acres excluding open space areas and produces a ratio of 5.9 acres of public parkland for every 1,000 residents. The Blue-Sky Ecological Reserve spans over 700 acres and provides for bird watching, wildlife viewing and hiking. Poway's trail system spans over 55 miles. Old Poway Park hosts a weekly Farmer's Market on Saturday mornings that sells local and organic produce and artisan foods. General park operating hours are Monday through Sunday dawn to dusk.

Interpretive Services

The Kumeyaay-Ipai Interpretive Center is an interpretive facility located at 13104 Ipai Waaypuk Trail. It was built in 2007 and operated by the City of Poway in partnership with the Friends of the Kumeyaay and the San Pasqual Band of Indians. The indoor facility spans approximately 1,440 square feet indoor and complements outdoor areas that illustrate evidence of a thriving community of Native Americans in Poway (Pauwai) Valley. This includes rotating exhibits that highlight Poway's First Peoples sustainable lifestyle, history, and culture. Volunteer docents are trained to instruct third grade school children in the ancient ways of the Kumeyaay, and conduct tours and other activities. The Interpretive Center also offers guided hikes through a demonstration water-wise garden showcasing native plants used by past inhabitants. General operating hours are the 2nd and 4th Saturday of each month 10:00 a.m. to 1:00 p.m.

Lake Operations

Lake Poway is a man-made reservoir constructed in the early 1970s for the dual purpose of serving as a local water supply depository as well as providing water-based recreation amenities. These recreational amenities are administered by an onsite concessions office and includes fishing and a range of boating activities from pedal to motor crafts. Poway Lake is surrounded by hiking trails and is connected to the Blue Sky Ecological Reserve by hiking trail. General operating hours are 6:00 AM – Sunset.

Library

The Poway Branch Library is part of the San Diego County Library System and located at 13137 Poway Road. The Poway Library is approximately 20,000 square feet in size and allows access to more than 5.3 million books, including e-books and audio-visual materials. Key amenities include 10 public access computers with free internet access as well as a community meeting room with a 64-person capacity. Other amenities include offering storytime for many different age groups, exercise groups and many other community enrichment events on a weekly basis. General operating hours are Monday-Friday from 10 a.m. to 4 p.m.

Poway Center for Performing Arts

The Poway Center for the Performing Arts is an 809-seat facility built in 1990 and located adjacent to the Poway High School at 15498 Espola Road. The Poway Center hosts professional performances ranging from major plays and concerts to appearances by individual artists of national acclaim. The Poway Center also encourages performing arts in the area by providing accommodations for Poway Unified School District students and community-based productions. General operating hours fluctuate depending on the event schedule. The facility is also available to rent for weddings and private parties.

Urban Forestry

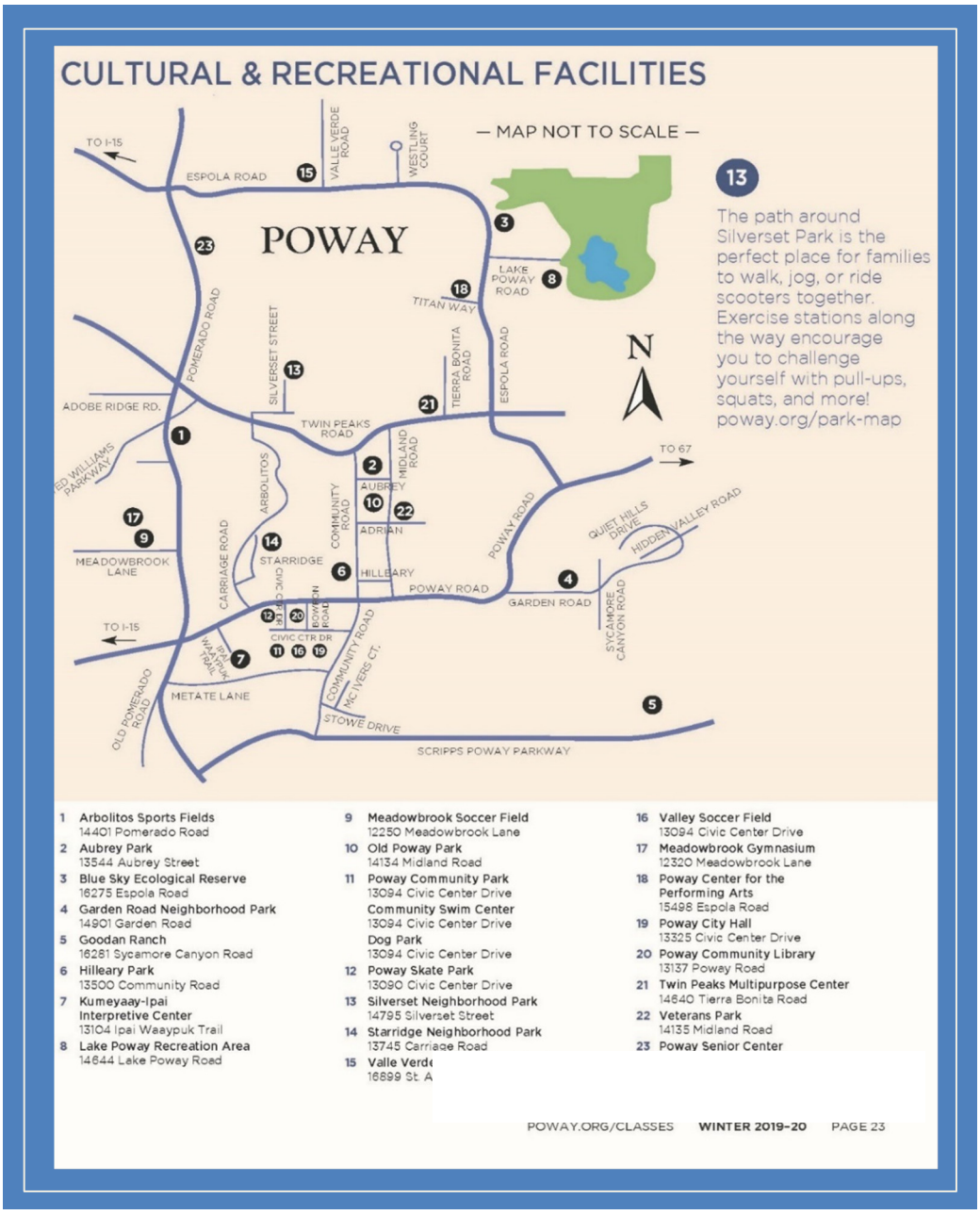
The City of Poway practices and prioritizes urban forestry principles for planting, trimming, and removing trees and codified in ordinance (Poway Municipal Code, Chapter 12.32.). Tree City USA is an award given by the National Arbor Day Foundation to recognize cities that practice excellence in urban forestry. Poway has been awarded the Tree City USA designation every year since 1999.[34] Several trees in Poway have also been designated as Heritage Trees by the City Council and denotes a tree on public property or public right-of-way that has historic or cultural significance.

The average budgeted costs of the City of Poway's park and recreation services during the five-year report period has been $8.27 million and includes supporting all eight service classes identified in the preceding descriptions. The primary revenue source for park and recreation services is the General Fund. Over the corresponding 60-month period, close to 20% of the General Fund was expended on park and recreation services. The remaining revenue sources involving fees, grants, and donations.

Monies from the General Fund represent the single largest revenue source for the City of Poway's park and recreation services. The average annual amount allocated for these services equals almost 1/5 of all budgeted General Fund monies during the report period.

A map showing the City of Poway's park and recreation services follows on the next page.

[34] Coronado and Santee are the only other local cities that have received Tree City USA awards.



Service Demands

Overall service demands for park and recreation services within the City of Poway can be measured by new amenities added during the five-year report period and presumably in direct response to community feedback. Accordingly, over the corresponding 60-month period Poway has either completed or near completed the following key amenities:

- Design work for the Mickey Cafagna Community Center in Poway Community Park at 15498 Espola Road was completed in February 2019 with construction beginning in July 2019. Completion of the project – which is named after a longtime Councilmember – is expected in July 2021 and involves the construction of a 22,587 square-foot multi-use generational facility that will replace Poway's existing Senior Center. The estimated cost is $10.0 million.

- Poway supports open space preservation by using its Habitat In-Lieu Fee to purchase land. This includes recently purchasing three open space properties for a total of 80 acres. In addition, Poway was a co-applicant with the Trust for Public Lands on two grants to acquire 160 acres as part of a planned expansion of the Iron Mountain Preserve.

Service Performance

Poway's park and recreation services five-year budget averages $8.27 million annually, for all eight park and recreation service classes, which represents an annual per capita expenditure of $167, based on the City population of 49,539. There are 22 different park sites within Poway that collectively cover about 291 acres, which represents almost 6 acres per 1,000 residents. This is about double the minimum of 3 acres per 1,000 population and 20% higher than the maximum of 5 acres per 1,000 population identified in the Quimby Act (AB No. 1359). The act provides that the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide 3 acres of park area per 1,000 persons. Collectively, and based on these per capita expenditures, the range of cultural, park and recreation services provided, and the amount of parkland per capita, it appears Poway's performance in offering these services and facilities is more than adequate.

The City of Poway presently owns and operates 22 park sites that total 291 acres, which translates to nearly 6 acres of parkland for every 1,000 residents. This ratio is nearly double the minimum State requirement of 3 acres of parkland for every 1,000 residents.

6.5 Community Development

The City of Poway assumed community development services from the County of San Diego at the time of incorporation in 1980 through the transfer of land use control. This service function is guided by the Poway General Plan, which was last updated in November 1991 and includes one dozen community development goals starting with preserving Poway's unique character as the "City in the Country." There have been six amendments made to the Poway General Plan since the last update by the City Council. The task of implementing and organizing community development within Poway is primarily assigned to the Development Services Department. This report and succeeding analysis focus on two broad classes underlying

The City of Poway's community development service function is guided by the Poway General Plan and incorporates two broad classes: (a) planning and (b) engineering.

Poway's community development service function: (a) planning and (b) engineering.

Service Classes and Capacities

Planning Services |

Planning activities in the City of Poway focuses on administering and implementing land use policies established in the General Plan and Zoning Ordinance as well as other ancillary activities involving housing and building/safety. An increasingly pertinent task involves preparing an update to the Poway Housing Element every eight years per State law that – and among other items – addresses the City's allocation or share of the regional housing needs assessment (RHNA) as further described. Planning activities operate as a stand-alone division within the Development Services Department and budgeted with 7.5 FTE at the end of the five-year report period. Staffing levels have remained generally consistent through the report period with an average budgeted expense of $2.158 million with an overall change of 26.4%.[35] Summaries of the two internal divisions – housing and building/safety – follows.

Planning operates under the Development Services Department and includes two internal divisions – Housing and Building/Safety. The average budgeted amount for Planning has been $2.2 million with an overall change of 26% during the five-year report period.

- The Housing Division employs one Senior Management Analyst and administers the City of Poway Housing Authority: the successor agency to the Poway Redevelopment Agency.[36] The primary focus is to provide affordable housing options within the City to very low, low- and moderate-income qualifying households. Related tasks include maintaining an affordable housing database and producing an annual report for the Poway Housing Authority, which is a separate legal entity governed by the City Council. Overall, and through these collective operations within the Housing Authority and the predecessor Redevelopment Agency, the Housing Division has developed or facilitated the rehabilitation of 692 affordable living spaces in the community since 1983.

[35] The staffing and budgeted amounts and trends reflect the last four years of the five-year report period (2015-2016 to 2018-2019). Information for 2014-2015 is pending.
[36] The Poway Redevelopment Agency operated between 1983 through 2014.

- The Building and Safety Division administers plan check, permitting, and inspection for building-related activities within the City of Poway. Poway currently contacts with EsGil Corporation (San Diego) to provide these onsite services through the allocation of two staffers. The California Green Building Standards Code requires that new buildings in California be more energy efficient and environmentally responsible. The regulations will result in reductions in greenhouse gas emission, energy consumption, and water use. All new construction projects are required to comply with the Green Building standards.

City of Poway
Planning Division | Planning, Housing and Building
Table 6.5a: (Source: City of Poway and SD LAFCO)

Category	2015	2016	2017	2018	2019	Average	Trend
Budgeted Employees	n/a	7.0	7.0	7.0	7.5	7.0	0.0%
Budgeted Expenses	n/a	$1.981	$2.075	$2.073	$2.503	$2.158	26.4%

Employees are listed as FTEs (1.0 FTE equals 2,080 hours per year)
Budgeted expenses listed in millions

Engineering Services |

Engineering activities within the City of Poway focus on the design and construction of capital improvement projects undertaken by the City on public lands. Other pertinent engineering activities include performing reviews and issuing related permits and approvals involving private land development projects as well as overseeing traffic circulation improvements and storm management. Engineering activities operate as a stand-alone division within the Development Services Department and budgeted with 12.0 FTE at the end of the five-year report period. Staffing levels have increased by one-third through the report period with an average budgeted expense of $2.013 million and an overall change of 52.8%.[37]

Engineering operates under the Development Services Department with an average budgeted amount of $2.0 million during the five-year report period. The corresponding trend in budgeted expenses has been an increase of 53%.

City of Poway
Engineering Division | CIP, Land Development, Inspection, Traffic, and Storm Management
Table 6.5b: (Source: City of Poway and SD LAFCO)

Category	2015	2016	2017	2018	2019	Average	Trend
Budgeted Employees	n/a	9.0	9.0	12.0	12.0	10.5	33.3%
Budgeted Expenses	n/a	$1.631	$1.684	$2.245	$2.492	$2.013	52.8%

Employees are listed as FTEs (1.0 FTE equals 2,080 hours per year)
Budgeted expenses listed in millions

[37] The staffing and budgeted amounts and trends reflect the last four years of the five-year report period (2015-2016 to 2018-2019). Information for 2014-2015 is pending.

The average budgeted costs of the City of Poway's community development services during the five-year report period has been $4.90 million and specific to supporting planning and engineering service class activities as described in the preceding paragraphs. General Fund monies represent the primary revenue source and account for about 10% of budgeted revenues during the corresponding 60-month period. The remaining revenue sources supporting community development services include application and permit fees as well as plan checks.

General Fund Monies represent the single largest revenue source for community development services. The average annual amount allocated to community development services equals about 1/10 of all budgeted General Fund monies during the report period.

Service Demands

Overall service demands for community development within the City of Poway during the five-year report period is marked by development review applications and have averaged 57 annually or about 5 per month. This measurement serves as a macro overview of community development in terms of footprint expansion and represents the number of applications processed by Poway that requires some type of City approval to proceed. These approvals are distinguished between minor (i.e. new single-family residences) and standard (i.e. parcel and subdivision maps) development reviews and – pertinently – directly and indirectly impact planning and engineering activities, respectively. Annual demands for development review applications have fluctuated with an overall change of 17.6% during the corresponding 60-month period.

The City of Poway has averaged 57 development review applications per year over the course of the five-year report period. The overall change in annual applications during the 60-month period has been 18%.

A more micro review of community development demands within Poway can be measured by building permits and captures projects performed on new and existing structures. This latter category – existing structures – includes alternating, moving, repairing, or demolishing with limited exceptions. The average number of building permits issued by Poway during the five-year report period have been 2,344 annually or about 195 per month. The annual number of issued building permits have largely been on the rise with increases in four of the five report years with an overall change of 24.5% during the corresponding 60-month period.

The City of Poway has issued an average of 2,344 building permits per year over the course of the five-year report period. The overall change in annual applications during the 60-month period has been 24%.

City of Poway |
Community Development Trends
Table 6.5c: (Source: City of Poway and SD LAFCO)

Category	2015	2016	2017	2018	2019	Average	Trend
Development Review Applications (Macro Measurement)	51	49	74	50	60	57	17.6%
Building Permits Issuances (Micro Measurement)	2,072	2,649	2,072	2,348	2,580	2,344	24.5%

Service Performance

An increasing emphasis in assessing community development performance and pertinent to LAFCOs' legislative interest is the ability for land use authorities (i.e. counties and cities) to sync housing opportunities with household incomes. This emphasis is reflected in the State of California requiring all counties and cities to sufficiently plan to meet the housing needs of everyone in their respective communities as stand-alone elements of general plans. Towards this end, these agencies' housing elements must identify adequate sites zoned and available within an eight-year housing cycle to meet their regional housing needs assessment (RHNA) at all prescribed income levels (i.e., very low, low, moderate, and above moderate relative to area median income or AMI). All housing elements must be internally consistent with the general plans and approved by the State Department of Housing and Community Development or "HCD." Immediate repercussions for not receiving HCD approval include limitations on State funding programs as well as increased exposure to lawsuits and the potential therein for court orders that reduce and/or suspend local control over building and development activities. More recent legislation tasks local agencies to submit annual reports to HCD on housing elements implementation status beginning April 2018.

Providing housing for all income levels in San Diego County is a central legislative consideration for LAFCO in its task to promote orderly growth and development. The ability of the City of Poway to appropriately accommodate housing at all levels, accordingly, is a key performance measurement in considering community development services as part of the municipal service review process.

The City of Poway's current Housing Element was adopted by the City Council in May 2013 and subsequently approved (certified) by HCD in June 2013. The adopted Housing Element accommodates the 1,253 total housing units that have been allocated to Poway to plan and zone by HCD through October 2021 with approximately one-fourth – or 353 – of the total categorized as very-low or low income units and capture households earning 80% or less of average maximum income (AMI)

The City of Poway received approval for its current Housing Element (2013-2020) from HCD and the accommodation therein of 1,253 new housing units as part of the Regional Housing Needs Allocation process or RHNA. Of this total allocation, 194 – or 15.5% – of the housing units have been permitted for construction through the end of the report period (2019).

in San Diego County.[38] The largest category allocation involves above-moderate units and tallies close to one-half of the 1,253 total. Poway has also submitted annual reports to HCD following Housing Element adoption in each completed year with the most recent submittal showing 15.5% – or 194 – of the allocations permitted as of June 30, 2019.

City of Poway | Current RHNA Cycle: 2013-2020
Table 6.5d: (Source: HCD and San Diego LAFCO)

Housing Category	Total Units Assigned	% of Total Units	Permits Completed as of 6-30-19	% Permits Completed as of 6-30-19	Remaining Assigned Units
Very Low (0-50% AMI)	201	16.0%	26	12.9%	175
Low (50-80% AMI)	152	12.1%	26	17.1%	126
Moderate (80-120% AMI)	282	22.5%	0	0.0%	282
Above Moderate (120% + AMI)	618	49.4%	142	23.0%	476
	1,253	**100%**	**194**	**15.5%**	**1,059**

The calculated AMI in San Diego County is $75,500
... 50% equals $37,750 ... 80% equals $60,400 ... 120% equals $90,600

6.6 Other Municpal Services

The City of Poway provides several other municipal services directly or indirectly (contracts and franchise agreements) that support current and future development within the City. Prominent examples law enforcement and street maintenance. These other municipal services are briefly summarized for documentation purposes with the staff intention to more fully explore these functions consistent with the preceding sections as part of next municipal service review cycle.

Animal Control
Pending.

Electricity and Natural Gas
Pending.

Law Enforcement
The City of Poway provides law enforcement services through a contract with the County of San Diego Sheriff's Department with internal management provided by the Safety Services Department. This contract relationship was established at the time of Poway's incorporation in 1980 with services provided from the Sheriff's Poway substation located at 13100 Bowron Road. Contracted serves include patrol, traffic, and investigations with an appointed Sheriff

[38] The calculated AMI for a family of four in San Diego County is $75,500

Captain serving as the City Police Chief. Contracted staffing for Poway at the end of the five-year report period totaled 45 sworn personnel with a budgeted expense of $12.7 million. The budgeted cost is entirely drawn from the General Fund and has increased over the 60-month period by $2.1 million or 19.8%.

Public Transportation

Pending.

Solid Waste

Pending.

Stormwater and Flood Control

The City of Poway's Storm Water and Flood Control Division operates under the Public Works Department and is responsible for drainage facility repair and maintenance in the City rights-of-way and in improved dedicated channels. Work is coordinated with Poway's Storm Water Pollution Prevention Program and includes – among other facilities – 9 miles of concrete channels, 64 miles of enclosed storm pipe, and 105 miles of open storm channels. The budgeted cost is largely drawn from the Drainage Fund and has increased over the five-year report period from $0.9 million to $1.1 million or 22.2%.

Street Maintenance

The City of Poway's Street Maintenance Division operates under the Public Works Department and is responsible for maintaining and repairing close to 165 miles of public roads and rights-of-way. Regular activities include pavement maintenance, sign testing and replacement, tree and shrubbery trimming, curbs, gutters, sidewalk repair and replacement, and weed/litter abatement. Poway is divided into eight geographic Pavement Maintenance Zones. Pavement maintenance projects are generally scheduled in each successive Zone on an eight-year cycle. The type of pavement treatment depends on the condition of the streets and funding availability. Close to three-fourths of the budgeted cost is drawn from Poway's allocation of Senate Bill 1 known as the "Gas Tax" with overall amounts decreasing over the five-year report period from $4.5 to $4.3 million or (4.4%).

Telecommunications

Pending.

7.0 FINANCES

7.1 Budget Information

The City of Poway's operating budget at the end of the five-year report period (2018-2019) totaled approximately $88.2 million. The operating budget comprises more than one dozen funds and covers the anticipated day-to-day costs of providing municipal service functions and ancillary support activities with the majority of monies tied to General and Enterprise Funds. The General Fund is Poway's principal funding source and covers fire protection, law enforcement, parks and recreation, community planning, and other operations that are not paid by dedicated or restricted. Enterprise Funds are used to separately account for operations that are self-supporting and presently include water and wastewater. These two funds collectively account three-fourths of all budgeted operating expenses at the end of the report period.

The City of Poway's overall adopted operating budget at the end of the five-year report period totaled $88.2 million and has increased by 13.4% over the corresponding 60-month period.

City of Poway
Operating Budget
Table 7.1a (Source: City of Poway Adopted Financial Plan Fiscal Years)

Category	2014-2015 Budgeted	2015-2016 Budgeted	2016-2017 Budgeted	2017-2018 Budgeted	2018-2019 Budgeted	Average	Trend
Budgeted Revenues	$80,913,550	$86,934,630	$89,879,990	$90,616,090	$97,418,950	$89,152,642	20.4%
Budgeted Expenses	$77,815,420	$82,807,429	$83,002,079	$81,651,461	$88,244,546	$82,704,187	13.4%
Expenses Per 1,000 Residents	**$1,591,317**	**$1,689,948**	**$1,676,810**	**$1,659,583**	**$1,782,718**	**$1,680,075**	**12.0%**

With respect to the City of Poway's General Fund, budgeted expenses at the end of the report period totaled $46.5 million and make up just over one-half of the overall operating budget.[39] Budgeted expenses for fire protection and emergency medical as well as law enforcement together make up over half of all allocated General Fund costs at $12.6 and $12.7 million, respectively. Markedly, the percentage of General Fund allocations for public safety have increased over the corresponding 60-month period by 17.8% and are the primary factors underlying an overall rise in General Fund budgeted expenses of 21.6%.

The City of Poway's General Fund generally accounts for more than one-half of the operating budget and at the end of the report period tallied $46.5 in budgeted expenses with 55% dedicated to public safety. Overall, budgeted General Fund expenses have increased during the five-year report period by 21.6%.

[39] General Fund expenditures cover operating expenses for seven major departments: Legislative and Administrative, Finance, Community Services, Development Services, Public Works, Safety Services and Human Resources and Risk Management. Within the Budget, departments are further broken down into divisions such as "Fire Suppression" or "Park and Landscape Maintenance" and finally by line item expenses

Budgeted General Fund revenues at the end of the report period totaled $47.7 million and make up just under one-half of the overall operating budget. General Fund monies are primarily drawn from property and sales taxes and account for three-fourths – or 75.3% – of the budgeted total.[40] Most of remaining quarter of General Fund monies are drawn from fees permits and transient occupancy tax. Budgeted General Fund revenues have increased over the corresponding 60-month period by 23.3%. A summary of recent actual revenues and expenses in the General Fund follows.

Budgeted General Fund revenues at the end of the report period totaled $47.7 million with property and sale taxes expected to account for 46% and 30%, respectively, of the total.

City of Poway
General Fund Annual Budgets
Table 7.2a (Source: City of Poway Adopted Financial Plans)

	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY2018-19 *Adopted*	Average	Trend
Revenues							
Property Tax	$17,570,316	$18,877,037	$19,877,300	$21,239,503	$21,857,930	19,884,417	24.4
Sales Tax	$12,520,103	$13,172,467	$13,774,763	$13,981,478	$14,105,860	13,510,934	12.7
Franchise Fees/ TOT	$3,011,955	3,006,465	$2,850,754	$3,073,257	$3,032,220	2,994,930	0.7
Fees, Charges, & Permits	$5,420,343	$6,133,134	$6,261,687	$6,555,293	$6,158,440	6,105,779	13.6
Use of Property, Grants, Other	$3,032,809	$2,881,971	$3,872,879	$5,129,956	$2,597,870	3,503,097	(14.3)
Other revenues	$0	$0	$0	$0	$0	0	
Total Revenues	$41,555,526	$44,071,074	$46,637,383	$49,979,487	$47,752,320	$45,999,158	14.9%
Expenses							
Operating Expenses	$37,444,549	$39,261,320	$40,958,299	$43,563,554	$46,020,946	41,449,734	22.9
Capital Projects/Programs	$384,194	$12,910,268	$1,687,323	$1,376,335	$527,500	3,377,124	37.3
Total Expenses	$37,828,743	$52,171,588	$42,645,622	$44,939,889	$46,548,446	$44,826,858	23.1%
Transfers/Loans							
Total Transfers/Loans	($583,038)	($15,796,239)	($2,341,150)	($1,428,697)	($1,762,750)	($4,382,375)	(202.3%)
Net Activity	$3,143,745	($23,896,753)	$1,650,611	$3,610,901	($558,876)	($3,210,074)	(117.8%)
Fund Balance (7/1)	$22,101,289	$25,245,034	$1,348,281	$2,998,892	$6,609,793	$11,660,658	(70.1%)
Fund Balance (6/30)	$25,245,034	$1,348,281	$2,998,892	$6,609,793	$6,050,917	$8,450,583	(76.0%)

With respect to the City of Poway's Enterprise Fund, it accounts for water and wastewater operations and intended to be entirely self-supported through customer rates. This includes covering necessary operational expenditures, the purchase and treatment of raw water, and capital improvements to ensure a safe and reliable system of plant, pipes, pump stations, and reservoirs. Each utility service has an individual fund and any unspent budget from a utility's annual operations is placed in reserve and is used for capital projects and to moderate future rate increases. Budgeted water and wastewater utility expenses at the end of the report period totaled $24.3 and $8.5 million, respectively, with closely matching revenues. Budgeted water utility costs

The City of Poway's budgeted Enterprise Fund expenses have diverged during the report period with water costs increasing by 9.0% from $22.1 to $24.1 million while budgeted wastewater costs remaining stagnant at $8.5 million.

[40] The City receives 1¢ of the 7.75¢ sales tax for every dollar spent in Poway. Most of the remainder goes to the State and County.

have increased by 9.0% over the corresponding 60-month period while wastewater expenses have remained static. A summary of recent actual revenues and expenses in the Enterprise Fund follows.

City of Poway
Enterprise Fund Annual Budgets
Table 7.2a (Source: City of Poway Adopted Financial Plans)

	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY2018-19 *Adopted*	Average	Trend
Revenues (millions)							
Water	21.10	19.20	23.50	28.90	25.80	23.70	22.3
Wastewater	8.40	8.60	9.90	9.50	10.10	9.30	20.2
Total	$29.50	$27.80	$33.40	$38.40	$35.90	$33.00	21.7%
Expenses (millions)							
Water Operating	20.80	19.80	20.50	22.10	24.3	21.50	16.8
Water Capital	1.00	2.20	1.90	2.20	1.50	1.76	
Wastewater Operating	8.30	7.50	7.60	7.60	8.50	7.90	2.4
Wastewater Capital	0.0	0.30	2.40	0.79	0.25	0.75	
Total	$30.10	$29.80	$32.40	$32.69	$34.55	$31.91	14.8%

With respect to budget management, the City of Poway maintains a reserve policy to maintain a balance within the General Fund to cover no less than 45% of its annual operating costs. This policy requirement was established in 2016 and protects against major economic downturns or natural disasters. Poway also maintains policies covering budget development and adoption as well as ongoing management. This includes a detailed debt management policy in 2015 to ensure sound and uniform practices for issuing and managing bonds and other forms of indebtedness. This document also protects the City's high credit rating and minimizes its borrowing costs.

The City of Poway is obligated under adopted policy to maintain a 45% General Reserve Fund. This amount was set in 2016 and serves as a buffer against potential natural disasters or economic downturns. The reserve contribution at the end of the five-year report period was $1,477,210.

7.2 Financial Statements

The City of Poway contracts with an outside accounting firm to prepare an annual report to review the City's financial statements in accordance California Government Code and established governmental accounting standards.[41] This includes auditing Poway's statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Poway's short and long-term fiscal health with specific focus on delivering its activated service functions. The current outside consultant is Davis Farr LLP (Irvine).

[41] The California Government Code requires all General Law cities, such as Poway, to be audited annually by independent certified public accountants selected by the City Council.

The City was awarded a Certificate in Achievement for Excellence in Financial Reporting for its FY 2016-17 and FY 2017-18 Financial Reports.

Poway's most recent financial statements for the five-year report period were issued for 2018-2019. These statements show Poway experienced a modest improvement over the prior fiscal year as the overall net position (regular accrual basis) increased by 1.4% from $233.6 million to $236.9 million and primarily attributed to a net total surplus. The net position also increases to $288.4 million with an adjustment to excluded booked pension liabilities. The accompanying auditor's report did not identify any material weaknesses or related accounting concerns. A detailing of year-end totals and trends during the five-year report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	303,604,857
Liabilities	75,176,183
Deferred Outflow/Inflow	8,520,288
Net Position	$236,948,962
Adjusted Net Position (Less pension liabilities)	$288,369,309

Agency Assets

The City of Poway's audited assets at the end of 2018-2019 totaled $303.6 million and 8.4% higher than the average year-end amount of $280.8 million documented during the five-year period. Assets classified as current with the expectation they could be liquidated within a year represented more than two-fifths – or 44.6% – and largely tied to cash and investments. Assets classified as non-current and not readily liquid make up the remainder and total $168.2 million with over nine-tenths tied to capital assets. Overall, Poway's total assets increased by $23.4 million or 8.4% over the corresponding 60-month period.

The City of Poway's assets increased by nearly one-tenth – or 8.4% - during the report period from $280.2 to $303.6 million and includes both cash/equivalents and capital holdings.

City of Poway
Audited Assets
Table 7.5a | Source: City of Poway

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	116,366,577	116,146,939	120,835,322	126,710,643	135,387,369	123,089,370	16.3%
Non-Current	163,979,981	146,269,884	142,236,281	167,844,117	168,217,488	157,673,150	2.7%
Total	280,164,558	262,416,823	263,071,603	294,554,760	303,604,857	280,762,520	8.4%

Agency Liabilities

The City of Poway's liabilities increased by one-fourth – or 25.0% – during the report period from $60.1 to $75.2 million and attributed to assuming debt from the Poway Redevelopment Agency.

The City of Poway's audited liabilities at the end of 2018-2019 totaled $75.2 million and 11.1% higher than the average year-end amount of $67.7 million documented during the five-year report period. Liabilities classified as current and representing obligations owned within the year accounted for nearly one-fifth of the amount and were primarily tied to accounts payable and near-term debt payments. Liabilities classified as non- current and considered long-term debts make up the remainder of the total amount with the largest single obligation tied to assuming remaining bond payments as successor agency to the Poway Redevelopment Agency. Overall, total liabilities increased by $15.0 million or 25.0% over the corresponding 60-month period.

City of Poway
Audited Liabilities
Table 7.5b | Source: City of Poway

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	8,929,431	8,018,236	9,695,714	10,092,256	12,199,803	9,787,088	36.3%
Non-Current	51,212,812	54,850,048	58,248,088	62,182,851	62,976,380	57,894,036	23.0%
Total	60,142,243	62,686,284	67943802	72,275,107	75,176,183	67,681,124	25.0%

Net Position

The City of Poway's net position has increased over the report period from $215.79 million to $236.95 million; a change of 9.8%.

The City of Poway's audited net position or equity at the end of 2018-2019 totaled $236.9 million and represents the difference between the City's total assets and total liabilities along with adjusting for deferred resources (i.e. pension outflows and inflows). This most recent year-end amount is 8.5% higher than the average year-end sum of $218.3 million during the five-year report period. The majority of the net position – close to three-fifths – is tied to capital assets. The remainder is comprised of restricted and unrestricted designations with the latter representing monies and equivalents that can be used to finance day to day operations without outside constraints. Overall, the net position increased by 21.2 million or 9.8% over the corresponding 60-month period.

City of Poway
Audited Net Position
Table 7.5c | Source: City of Poway

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Invested in Capital	123,168,706	117,989,285	114,962,340	140,612,899	143,404,199	128,027,486	16.4%
Restricted	27,815,593	20,846,798	20,453,766	20,641,475	22,034,222	22,358,371	(20.8%)
Unrestricted	64,802,413	62,522,444	68,452,332	72,335,391	71,510,541	67,924,624	10.4%
Total	$215,786,712	$201,358,527	$203,868,438	$233,589,765	$236,948,962	$218,310,481	9.8%

The City of Poway's net position accounts for multiple funds with the General Fund serving as the primary funding source in terms of both revenues and expenses. The spendable portion of the General Fund at the end of the report period totaled $50.8 million. This amount is either unassigned or can become unassigned by the City Council and equals 12.1 months of actual operating expenses in 2018-2019.

The City of Poway's spendable balance within its General Fund at the end of the report period is sufficient to cover 12 months of normal operating expenses.

7.3 Measurements | Liquidity, Capital, and Margin

LAFCO's review of the audited financial statement issuances by City of Poway covering the five-year report period shows the City experienced mixed trends in the standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. Positive trends are marked by Poway improving its total margin (i.e. bottom line) each year during the report period and generating an overall average of 1.8%. Negative trends are marked by decreasing liquidity levels with the amount of days' cash falling by (16.2%) from 1,115 to 935 over the 60-month period. A summary of these standard measurements follows and further detailed in the associated table.

Standard measurements used to assess the City of Poway's financial standing shows the City trended negatively in most categories during the report period and most notably in liquidity levels.

City of Poway
Financial Measurements
Table 7.** | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	13.0 to 1	1,115	23.9%	27.3%	(1.2%)	5.6%	164.4%	23.7
2015-2016	14.5 to 1	1,001	25.5%	30.3%	(0.7%)	5.5%	148.4%	25.6
2016-2017	12.5 to 1	891	25.4%	29.4%	2.8%	(4.8%)	140.0%	26.2
2017-2018	12.6 to 1	848	23.9%	27.0%	3.5%	(1.0%)	140.2%	28.0
2018-2019	11.1 to 1	935	24.4%	27.1%	3.5%	(1.5%)	141.3%	29.1
Average	12.7 to 1	958	24.6%	28.2%	1.8%	0.6%	146.9%	26.5
Change	(14.9%)	(16.2%)	1.8%	(0.9%)	439.1%	(127.3%)	(14.1%)	22.7%
Trend	Negative	Negative	Negative	Positive	Positive	Negative	Negative	Negative

Current Ratio (Liquidity)
Compares available assets against near-term obligations; means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)
Measures the number of days the agency can fund normal operations without any new cash income.

Debt Ratio (Capital)
Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)
Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)
Measures the bottom line of the agency with respect to comparing all revenues to all expenses.

Operating Margin (Margin)
Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans.

Operating Reserves Ratio (Structure)
Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)
Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.4 Pension Obligations

The City of Poway provides a defined benefit plan to its employees through an investment risk-pool contract with the California Public Employees Retirement Systems (CalPERS). This pension contract provides employees with specified retirement benefits based on the date of hire and placement in one of two broad categories: miscellaneous and safety. Additional pension details based on actuarial valuations issued by CalPERS during the five-year report period with respect to enrollees, formulas, and funding status follows.

Pension Enrollees and Formulas

The City of Poway finished the report period with 497 enrollees within its pension program with CalPERS. Over four-fifths of all enrollees are non-public safety and receive a defined benefit formula of 2.0% at 55.

The last annual valuation issued during the five-year report period followed 2018-2019 and identified 817 total enrollees within the City of Poway's pension program. This total represents an overall increase of 83 – or an average of 21 each year – during the corresponding 48-month period in which information is readily available dating back to 2015-2016. The total is also divided between enrollee type (i.e., active, separated, transferred, retired) and produces a current positive worker-to- retiree ratio of 1.6 to 1. More than four-fifths – or 82% – of all pension enrollees are termed as miscellaneous with most receiving a defined benefit of 2.0% at 55. This formal provides eligible retirees with 30 years of total service credit 60% of their highest one year of salary each year beginning at age 55. New miscellaneous hires now receive a defined benefit of 2.0% at 62. The remaining enrollees are termed as safety with most receiving a defined benefit of 3.0% at 50. This ratio has been reduced for new safety hires to 2.7% at 57.

City of Poway
Pension Enrollee Information
Table 7.** | Source: CalPERS

Type	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Active	n/a	221	228	231	235	6.3%
Transferred	n/a	149	144	145	142	(4.7%)
Separated	n/a	97	111	111	120	23.7%
Retired	n/a	267	283	304	320	19.9%
Total Enrollees	n/a	467	483	487	497	6.4%
Worker-to-Retiree Ratio	n/a	1.7 to 1.0	1.7 to 1.0	1.6 to 1.0	1.6 to 1.0	(11.2%)

Pension Funding Status

The City of Poway's pension program is currently underfunded with a composite unfunded liability of $56.5 million at the end of the report period. This amount reflects the accrued monies owned and not covered by assets in all pension programs (miscellaneous and safety) and translates to a composite funded ratio of 70.0% based on market value. Overall, Poway's funded ratio has slightly decreased by (0.4%) during the corresponding 48-month period in which information is readily available.

The City of Poway's combined funded ratio at the end of the report period tallied 70.0% with an overall change of (0.4%).

City of Poway
Pension Funding Status
Table 7.** | Source: CalPERS

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Pension Assets	n/a	109,952,110	118,973,881	126,666,595	131,600,399	19.69%
Pension Liabilities	n/a	156,609,204	166,446,398	182,145,103	188,122,353	20.12%
Net (Unfunded Liability)	n/a	(46,657,094)	(47,472,517)	(55,478,508)	(56,521,954)	21.14%
Funded Ratio	n/a	70.21%	71.48%	69.54%	69.95%	(0.36%)

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7b

AGENDA REPORT
Business | Information

February 1, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Allen, Analyst I

SUBJECT: **Informational Report on the Sustainable Groundwater Management Act | Local Implementation and Relationship with LAFCO's Duties and Powers**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an informational report on the Sustainable Groundwater Management Act (SGMA) and its central requirements for local governments to take various and ongoing actions to improve the health of at-risk groundwater basins. The report has been prepared as part of the adopted workplan and provides background information on SGMA and the current and planned activities of the three Groundwater Sustainability Agencies (GSAs) formed under the legislation in San Diego County. The report also addresses SGMA's intersection with LAFCO's regulatory and planning duties involving municipal services; the latter having evolved now through SGMA to include groundwater management. The report is for discussion and feedback and identifies potential activities for the Commission to align with SGMA's ongoing implementation and shared interests in orderly and sustainable growth.

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BACKGROUND

Sustainable Groundwater Management Act

SGMA was signed into law on September 16, 2014 by Governor Jerry Brown. The legislation became effective on January 1, 2015 and marked the State's coordinated response to address depleting groundwater resources throughout California after long periods of drought and evidence of withdrawals (pumping) far exceeding natural replenishments. To this end, and to mitigate the detrimental effects of lowering groundwater levels, SGMA establishes groundwater management thresholds and directs local agencies to form GSAs for critical-high, high, and medium priority basins, as determined by the Department of Water Resources.[1] GSAs' may be comprised of one or more local public agencies that have water supply, water management, or land use responsibilities in the affected basins. The statute also allows certain non-governmental agencies to have a formal stakeholder role within GSAs, including – but not limited to – Native American Tribes. SGMA also specifies counties serve as default GSAs for any qualifying basins within their jurisdictions if no other actions are taken. GSA formations follow an application process with the Department of Water Resources and culminates in a local noticed hearing. GSAs are governed by joint-power agreements (JPAs), memorandum of understandings (MOUs), or other legal agreements. June 30th, 2017 served as the initial deadline for GSAs to be formed for all critical-high, high, to medium priority basins. Basins subsequently identified as critical-high, high, or medium priorities have two years thereafter to establish GSAs.

GSA Duties and Powers

Once established, GSAs are tasked with assessing the conditions of the basin and implementing a locally developed Groundwater Sustainability Plan (GSP) to guide the management and long-term reliability of groundwater basins over 20-year horizons. GSPs must be developed with participation from interested parties and submitted to the Department of Water Resources to determine content adequacy. Should it determine a GSP is not adequate, the State Water Resources Control Board is authorized to establish an alternative management plan, and this includes assuming all related enforcement powers. GSAs must also provide annual reports to the Department of Water Resources and track measurable objectives in the GSPs through ongoing monitoring programs with cumulative results analyzed in five-year cycles. GSAs are authorized with all the following powers.

- Adopt rules and regulations and establish ordinances by resolution
- Acquire and appropriate water rights, and conduct investigations
- Require groundwater metering
- Regulate groundwater extraction
- Establish and collect fees subject to Proposition 218
- Conduct enforcement

[1] The Department of Water Resources is responsible for updating groundwater basin conditions as part of its annual Bulletin 118 report.

GSPs for basins in critical condition were required to be adopted by January 1, 2020. High and medium priority basins must adopt GSPs by January 1, 2022. Basins that subsequently qualify as critical-high, high, or medium priorities have two years to adopt GSPs after their GSA forms.

DISCUSSION

This informational report and proceeding discussion focus on SGMA implementation in San Diego County. The report has been prepared consistent with the adopted workplan to provide a primer on local GSA activities and the statute's relationship with LAFCO's duties and powers. The report also serves as a pivot opportunity for the Commission to take future activities in aligning and/or instructing future LAFCO actions.

GSAs in San Diego County

The Department of Water Resources currently identifies 515 total groundwater basins in California. Of this total statewide amount, 94 groundwater basins qualify either as critical-high, high, or medium priority and therefore must establish GSAs and accompanying GSPs under SGMA. Three (3) basins – Borrego Springs, San Pasqual Valley, and Upper San Luis Rey Valley – are located within San Diego County and are further described below.

- Borrego Springs Subbasin
  This subbasin lies in northeast San Diego County and spans approximately 98 square miles in size and designated as a critical-high priority.[2] It is part of a larger basin – Borrego Valley – that extends east into western Imperial County. (The remainder of the Borrego Valley Basin is the Ocotillo Wells Subbasin and classified by the Department of Water Resources as a low priority.) The subbasin includes the unincorporated community of Borrego Springs along with the Borrego Springs Resorts and Country Club with a total estimated population of 3,500. A GSA was initially formed in October 2016 between the County of San Diego and the Borrego Water District. The County subsequently withdrew from the GSA to facilitate an alternative legal agreement endorsed by the Borrego Water District and several stakeholders, which was filed as a stipulated judgement in the San Diego Superior Court in January of 2020.[3] The judgement is pending Court approval and would transition governance over the subbasin to a five-member Watermaster Board to appropriate groundwater rights and allowances.[4]

- San Pasqual Valley Basin
  This basin lies in central San Diego County and spans approximately seven square miles in size and designated as a medium priority. It extends along the Santa Ysabel Creek between Lake Hodges to the west and Schoolhouse Canyon to the east. The basin includes mostly unincorporated lands along with portions of the City of San Diego's

[2] There are only 21 basins/subbasins in California that qualify as critical high priority.
[3] The case has since been transferred to the Orange County Superior Court to avoid a conflict of interest.
[4] The five-member Watermaster Board as proposed in the stipulated judgement would include a representative from the Borrego Water District and the County of San Diego with the three remaining members representing residential, agricultural, and resort interests in the Borrego area and would be appointed by each entity.

Pasqual Valley and Rancho Bernardo neighborhoods. The total estimated resident population is 110. The County of San Diego and City of San Diego entered into an agreement in June 2017 to create the San Pasqual Valley GSA. Work on the GSP is now underway with a draft expected to be ready for public review in April -May 2021.

- Upper San Luis Rey Valley Subbasin
  This subbasin lies in northcentral San Diego County and spans approximately 30 square miles in size and designated as a medium priority. It is part of a larger basin – San Luis Rey Valley – that extends between Oceanside to the west and the Pauma Valley to the east. (The remainder of the San Luis Rey Valley Basin is the Lower Subbasin and subsequently reclassified as a low priority.) The subbasin includes the unincorporated communities of Pala and Rincon with a total estimated resident population of 4,209. An initial GSA was formed in June 2017 and included the County of San Diego, Yuima Municipal Water District, Pauma Valley Community Services District, and Upper San Luis Rey Resource Conservation District. The County subsequently withdrew in November 2018 and a new agreement was entered into in June 2020 by the remaining agencies and tasked Yuima Municipal Water District as the project lead. Work on the GSP is now underway and ahead of the January 1, 2022 deadline.[5] A dispute is also underway and tied to San Luis Rey Indian Water Authority's objection to Upper San Luis Rey Resource Conservation District's inclusion in the GSA without having received approval from LAFCO to activate its water conservation/distribution powers.[6] The dispute, notably, came to light as part of a separately scheduled and ongoing municipal service review involving the Upper San Luis Rey Resource Conservation District and is further addressed as part of Agenda Item 7a for the February 1st meeting.

Maps showing all three GSAs are provided as Attachments One, Two, and Three.

Relationship Between GSAs and LAFCOs

SGMA does not provide a direct relationship between GSAs and LAFCOs. The statute authorizes local agencies with land use powers, water supply, water management, or equivalents to form GSAs for qualifying basins. GSA boundaries must include all of the affected basins as mapped by the Department of Water Resources, which leads most GSAs to comprise multiple agencies and/or include counties. Nonetheless, LAFCOs have an indirect relationship through its regulatory powers and can serve to facilitate GSAs' (a) creation, (b) expansion, and/or (c) eligibility through the following actions.

[5] Pauma Valley GSA has identified the following local stakeholders: Tribes (Pala, Pauma, Rincon, La Jolla, San Pasqual) and San Luis Rey Indian Water Authority; Non-purveying Municipal Water Districts (Mootamai, Pauma, San Luis Rey); Valley Center MWD; Rainbow MWD; Farm Bureau; Mutual Water Companies (Lazy H, Pauma Ridge, Pauma Valley, Pauma Estates, Peppercorn, Rancho Pauma, Rincon Oaks); Private Pumpers in Pauma Valley (within and outside imported water supply); County Water Authority (imported water strategy).

[6] The San Luis Rey Indian Water Authority is a federally charted government agency created by five Mission bands: La Jolla; Pala; Pauma; Rincon; and San Pasqual. The Authority's mission is to ensure the bands are involved in plans regarding the San Luis Rey River Basin's water use and supply.

- Formations Leading to GSAs
  LAFCO may form one or more special districts with authorization to provide water supply, water management, or their equivalent for the subsequent purpose of creating and/or joining GSAs. Relatedly, formations may also serve to create successor agencies for existing GSAs. Formations can only be initiated by landowner and voter petitions, local agency resolutions, or directly by LAFCOs.

- Annexations to GSAs to Sync with Basins
  LAFCOs may annex lands to cities or special districts that concurrently serve as GSAs to sync their jurisdictional boundaries with the entirety of the affected groundwater basin (the latter subject to mapping – and remapping – by the Department of Water Resources through Bulletin 118). Annexations can only be initiated by landowner and voter petitions or local agency resolutions.

- Latent Power Activations for GSA Eligibility
  LAFCOs may activate special districts' latent powers to provide water supply, water management authority, or their equivalent under their principal act that otherwise have been inactive and in doing so districts become eligible to form or join GSAs. Latent power activations can only be initiated by special districts' resolutions.

ANALYSIS

SGMA represents a significant policy change for the State of California to transition groundwater management from a voluntary to mandatory basis. The significance is reflected in empowering GSAs to regulate, meter, and tax otherwise private groundwater uses that historically extend beyond the purview of State and local government. The significance is also not yet at full scope given the relative infancy of the legislation and reasonable expectation it will continue to evolve and expand both in terms of reach and powers. LAFCOs have a role – albeit indirectly – as outlined in the preceding section (i.e. special district formations, annexations, and latent power activations) that similarly has not come into full focus. Notwithstanding these variables, the following four activities merit consideration by San Diego LAFCO in response to SGMA and the shared interest in orderly and sustainable growth.

- Establish "groundwater management" as a standalone special district municipal function/class and – among other places – incorporate into Policy Rule No. 4.

- Document groundwater management activities and/or opportunities in municipal services reviews as appropriate going forward.

- Request "interested party" status with all existing GSAs as well as with the County of San Diego and in doing so ensure opportunities in statute to participate/comment on GSA activities – including the preparation and implementation of GSPs.

- Expand the LAFCO website to include information on groundwater basins and GSA programs in San Diego County.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the informational report on SGMA and provide related feedback to staff – including direction to return with specific actions.

ALTERNATIVES FOR ACTION

The item is being presented to San Diego LAFCO for discussion and feedback only.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion 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) Invite any comments from the public.
3) Discuss item and provide feedback as requested.

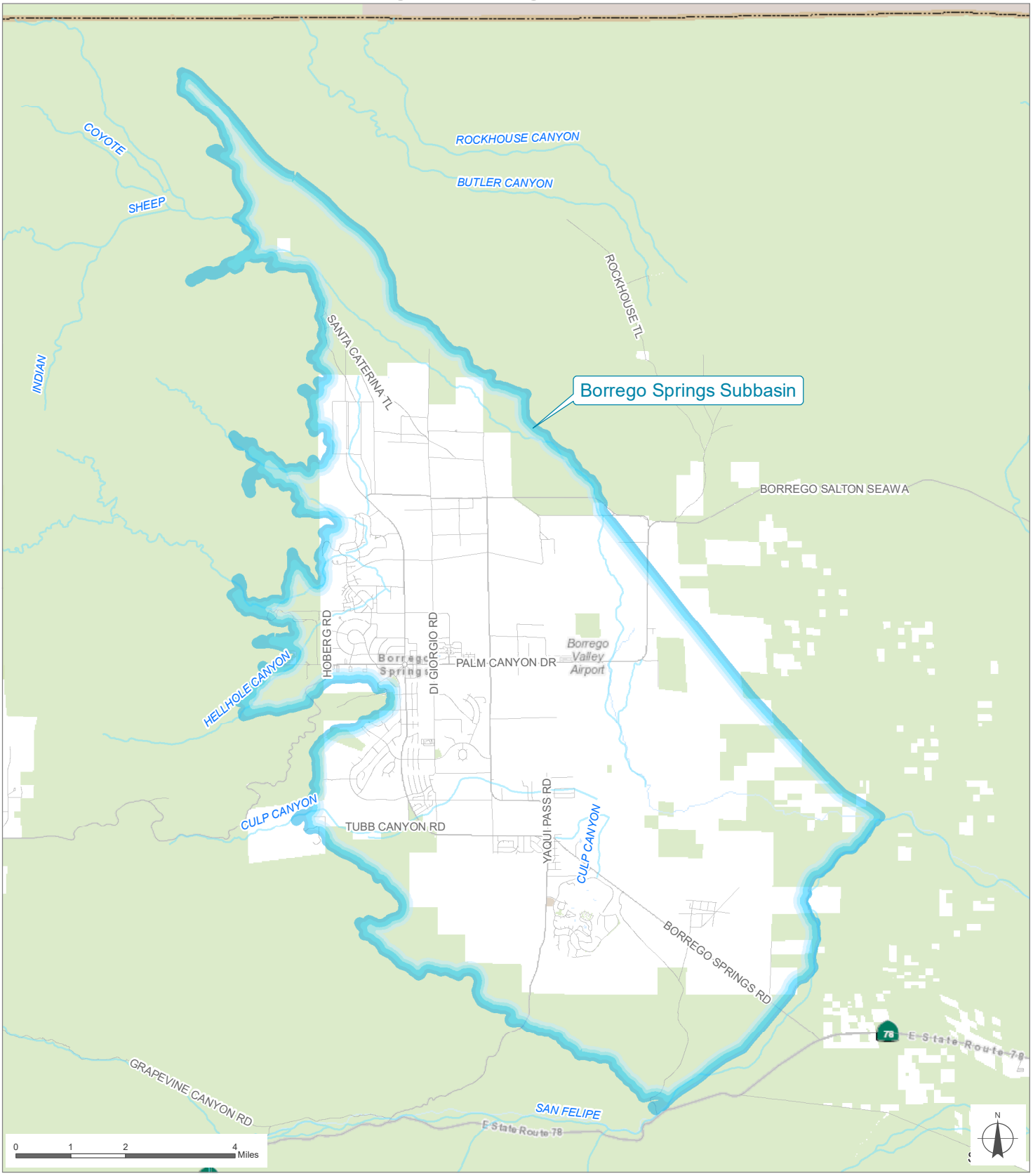
On behalf of the Executive Officer,



Priscilla Allen
Analyst I

Attachments:
1) Map: Borrego Springs GSA
2) Map: San Pasqual Valley GSA
3) Map: Upper San Luis Rey GSA

Borrego Springs Subbasin



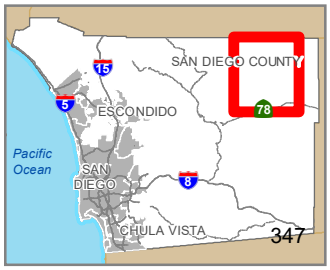
San Diego County
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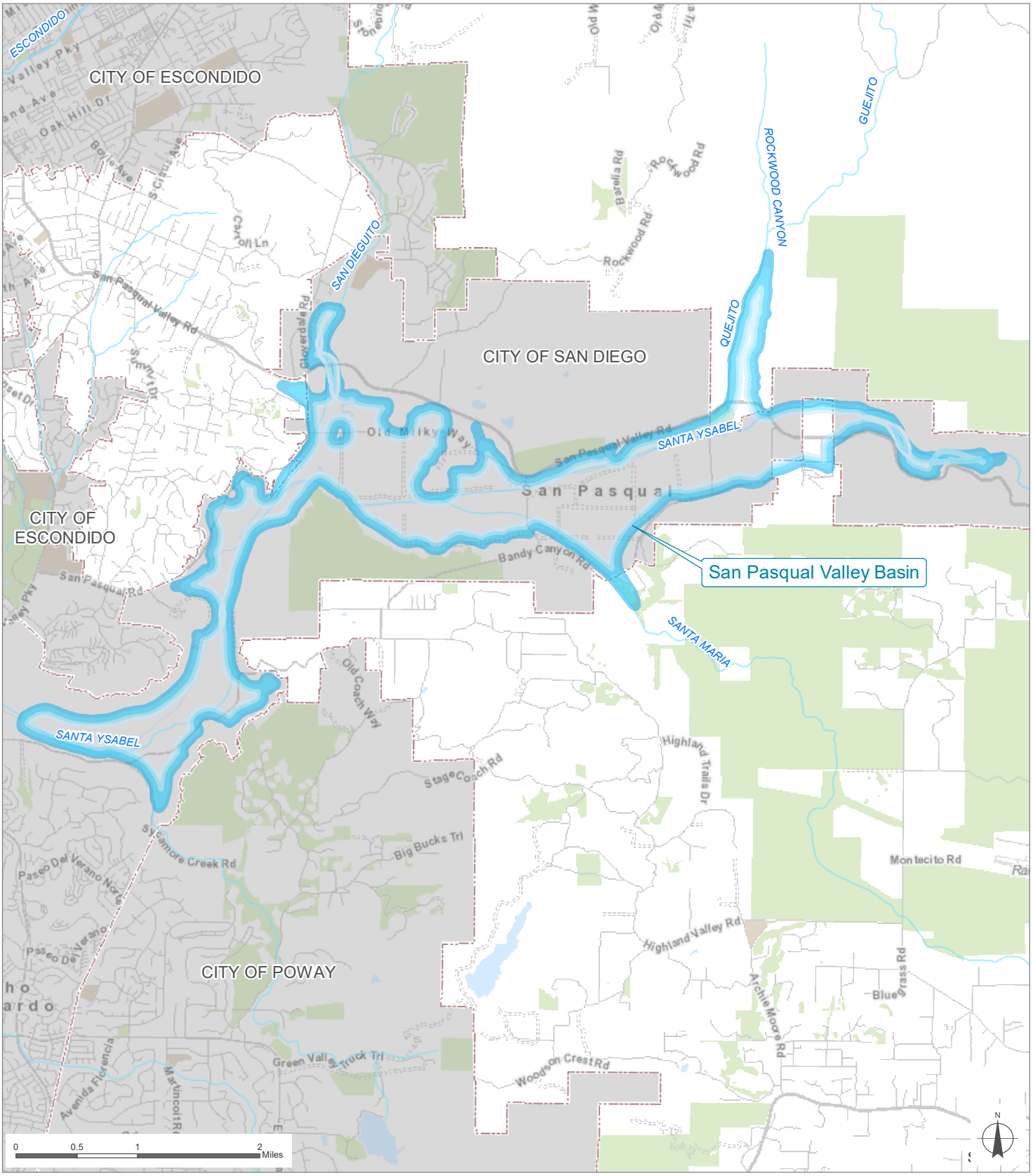
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Borego Springs Subbasin



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San Pasqual Valley Basin



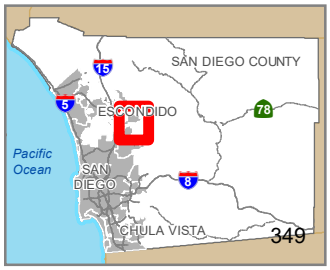
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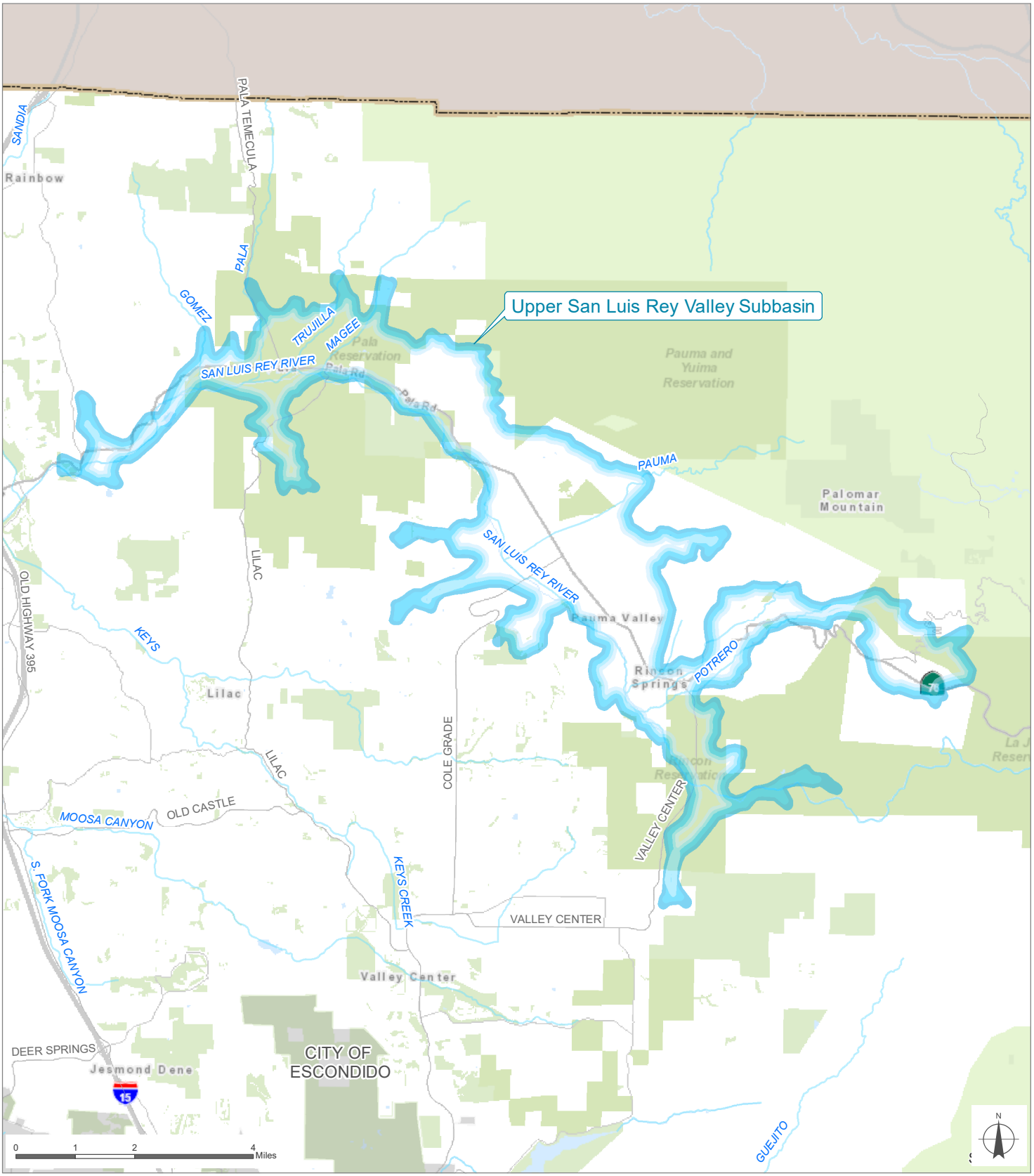
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San Pasqual Valley Basin



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Upper San Luis Rey Valley Subbasin



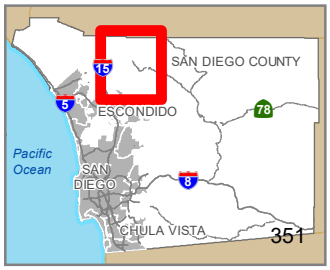
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Upper San Luis Rey Valley Subbasin



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