# 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, AUGUST 5, 2019, 9:00 A.M.**
COUNTY ADMINISTRATION CENTER | ROOM 302
1600 PACIFIC HIGHWAY
SAN DIEGO, CALIFORNIA

1. **9:00 A.M. – CALL TO ORDER BY CHAIR | ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **AGENDA REVIEW**
The Chair will consider requests to remove or rearrange items on the agenda.

4. **PUBLIC COMMENT**
Opportunity for members of the public to speak to 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. (Please note for items listed on the agenda, speakers should fill out a speaker slip and address the Commission when the item is discussed, and their name is called.)

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 requests to pull an item for discussion.

   a) **Approval of Meeting Minutes for June 3, 2019 (action)**
   The Commission will consider approving minutes for the June 3, 2019 regular meeting. Staff recommends approval.

   b) **Commission Ratification of Recorded Payments for May and June 2019 (action)**
   The Commission will review payments received and made for the months of May and June 2019. These payments cover all recorded transactions for the period and include $418,419 in total distributions made by the Executive Officer. Staff recommends ratification.

   c) **End of Year Budget Report for 2018-2019 (action)**
   The Commission will review an end of year report comparing budget and actual expense and revenue transactions for 2018-2019. The report notes the Commission finished the fiscal year in positive standing with a net operating balance of $56,354 or 1.5% albeit with the aid of a mid-year budget adjust to access additional reserves. The report is being presented for formal filing.

**CONSENT ITEMS CONTINUED…**

d) **Ratification of an Administrative Approval | "Wilmott-Champagne Boulevard Outside-of-Agency Service Agreement" Involving the Valley Center Municipal Water District (action)**
The Commission will consider ratification of an administrative approval by the Executive Officer of an outside-of-agency water service agreement involving the Valley Center Municipal Water District (MWD) a developed residential parcel at 28616 Champagne Boulevard in Bonsall. The approval responds to a documented public health threat involving the failure of the residence's on-site well. Staff recommends Commission ratification.

e) **Amendments to Commission Rules | Reimbursements and Executive Officer Compensation Committee (action)**
The Commission will consider approving non-substantive amendments to its adopted rules. The first set of amendments involves establishing stand-alone reimbursement policies. The second set of amendments involves prescribing the composition of the Executive Officer Compensation Committee to parallel the membership of the Personnel Committee. Staff recommends approval of the amendments with immediate effective dates.

f) **Commendations for Past Members of the Special Districts Advisory Committee (action)**
The Commission will recognize the service contributions for two past members – Erin Lump and John Pastore – of the Special Districts Advisory Committee. This recognition follows the two members' recent departure from the Committee. Staff recommends adoption of draft commendation resolutions for presentation off dais at a future Committee meeting.

g) **Progress Report on 2019-2020 Workplan (action)**
The Commission will receive a progress report on accomplishing specific projects as part of the adopted workplan for 2019-2020. This includes noting through the first month two-fifths of the two dozen plus projects are now underway with three nearing their completion and highlighted by a scheduled municipal service review on the San Diego County Sanitation District. The report is being presented to the Commission to receive and file.

h) **CALAFCO Annual Conference Items | Board Nominations and Voting Delegates (action)**
The Commission will consider action items relating to the upcoming California Association of LAFCOs' (CALAFCO) Annual Conference scheduled for October 30th to November 1st in Sacramento. This includes a recommendation for the Commission to formally nominate Commissioner MacKenzie to seek re-election to the CALAFCO Board as well as appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively.

i) **Current Proposals and Related Activities (information)**
The Commission will receive a report summarizing active proposals on file with the Commission as well as pending submittals. The item is for information only and concurrently satisfies LAFCO's reporting requirement for special district proposals submitted by petition.

(continued)

**6. PUBLIC HEARING ITEMS**

Public hearing items require expanded public notification per provisions in State law.

**a) Final Report and Related Actions |**
**Municipal Service Review on the San Diego County Sanitation District (action)**

The Commission will receive a final report prepared as part of San Diego LAFCO's scheduled municipal service review on the San Diego County Sanitation District and wastewater services within its seven distinct service areas. The final report returns with limited revisions from its earlier draft presentation in June. Staff recommends the Commission formally accept the final report along with adopting a resolution making required determinations.

**b) Sphere of Influence Update |**
**San Diego County Sanitation District (action)**

The Commission will consider approving a sphere of influence update for the San Diego County Sanitation District. The update draws on information included in a recently prepared municipal service review and recommends the Commission proceed to affirm the existing sphere without changes and ahead of performing a comprehensive update before or during the next five-year study cycle with potential study areas identified. Staff recommends approval.

**c) "Pauma Valley Fire Joint-Reorganization" |**
**Concurrent Divestiture of Fire Protection and Emergency Medical Service by Mootamai, Pauma, and Yuima Municipal Water Districts and Latent Power Area Expansion of Fire Protection and Emergency Medical Services for County Service Area No. 135 (action)**

The Commission will consider a joint- proposal filed by four subject agencies to transfer fire protection and emergency medical service responsibilities involving 18,565 acres in unincorporated Pauma Valley to the County of San Diego. The transfer would involve concurrently divesting these service powers from the Mootamai, Pauma, and Yuima Municipal Water Districts and expanding the latent power area for these services for County Service Area No. 135. Staff recommends approval with modifications to include an additional 18.6 acres of adjacent land to CSA No. 135's latent power area along with a conforming sphere amendment. Standard terms are also recommended. A list of subject parcels is provided in the agenda report.

**d) CANCELLED | "Orchard Hills Reorganization" |**
**Concurrent Annexation to the Vallecitos Water District and Detachment from the Vista Irrigation District (action)**

This notice hearing to consider a reorganization proposal to annex 12.5 acres to Vallecitos Water District and concurrently detach from the Vista Irrigation District has been cancelled. A new notice will be provided in step with rescheduling the item for future consideration.

**e) "Lomas de Oro Court Change of Organization" |**
**Detachment from Leucadia Wastewater District (action)**

The Commission will consider a change of organization proposal filed by interested landowners to detach 1.6 acres of incorporated territory in the City of Encinitas from the Leucadia Wastewater District. The affected territory as submitted consists of two developed single-family residential parcels currently dependent on private septic systems and the purpose of the proposal is to facilitate connection to Encinitas' public wastewater system. Staff recommends approval with a modification to expand the detachment to include 0.1 acres of adjacent public right-of-way with a conforming sphere amendment for Leucadia. Standard terms are also recommended. The subject parcels are identified as 265-355-40 and 265-355-42.

f) **"Salem-Snyder Road Change of Organization" | Annexation to Otay Water District (action)**
The Commission will consider a change of organization proposal filed by an interested landowner to annex 1.5 acres of unincorporated territory to the Otay Water District (WD). The affected territory as submitted is developed with one single-family residence and located within the Valle De Oro community and the purpose of the proposal is to replace an aging septic system. Staff recommends approval of the proposal with a conforming sphere of influence amendment. Standard terms are also recommended. The subject parcel is identified as 497-011-37.

g) **"Windmill Construction Reorganization" | Annexation to the City of La Mesa and Concurrent Detachments from San Miguel Fire Protection District and County Service Area No. 135 - Regional Communications (action)**
The Commission will consider a reorganization proposal filed by an interested landowner to annex 0.13 acre of unincorporated territory to the City of La Mesa with concurrent detachment from County Service Area No. 135 – Regional Communications and the San Miguel Consolidated Fire Protection District. The affected territory as submitted consists of one undeveloped parcel subject to a pending development approval by the City of La Mesa. Staff recommends approval of the proposal with a conforming sphere of influence amendment. Standard terms are also recommended. The subject parcel is identified as 491-260-19.

**7. BUSINESS ITEMS**
Business items involve regulatory, planning, or administrative items that do not require a hearing.

a) **Draft Municipal Service Review on the Escondido Region: Part One (information)**
The Commission will review a draft prepared as part of the scheduled municipal service review on the Escondido region. The draft represents the first of a two-part municipal service review and is specific to addressing public services provided by the Deer Springs Fire Protection District and Rincon del Diablo Municipal Water District. This includes preparing determinative statements addressing all the factors required under statute as part of the municipal service review mandate and headlined by population estimates, infrastructure needs, and financial standing. The draft is being presented to the Commission for discussion and feedback ahead of staff initiating a public review in anticipation of returning in October with final actions.

b) **Designation of Labor Negotiators (action)**
Pursuant to Government Code Section 54957.6, the Commission will designate its representatives for purposes of negotiating the salary and benefits for the Executive Officer. Verbal report only.

**8. EXECUTIVE OFFICER REPORT**

**9. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS**

**10. CLOSED SESSION**
Closed session items are calendared by Commission Counsel.

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., San Diego Superior Court Case No. 37-2019-00018076-CU-M C-TL

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., San Diego Superior Court Case No. 37-2018-00020015-CU-WM-CTL

**CLOSED SESSION ITEMS CONTINUED...**

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. (Two cases.)

e) **Public Employee Performance Evaluation**
Pursuant to California Government Code § (54957(b))
Employee: Keene Simonds, Executive Officer

f) **Conference with Labor Negotiators**
Pursuant to California Government Code Section 54957.6
Agency designated representatives: See Agenda Item 7b
Unrepresented Employee: Executive Officer

**ADJOURNMENT TO NEXT MEETING**
October 7, 2019

Attest to Posting

Tamaron Luckett
Executive Assistant

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 arraignments or accommodations.

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# 5a

**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Tamaron Luckett, Executive Assistant

**SUBJECT:** **Approval of Meeting Minutes for June 3, 2019**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive minutes prepared for the regular meeting held on Monday, June 3, 2019. The minutes are in draft-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 established standards for the public to attend and participate in meetings of local government bodies. The "Brown Act" requires – and among other items – public agencies to maintain written minutes for qualifying meetings.

## DISCUSSION

This item is for San Diego LAFCO to consider approving summary minutes for the June 3, 2019 regular meeting. The attendance record for the meeting follows.

- All members were present on June 3rd with the exception of Mark Kersey, Bill Wells, Greg Cox (alternate), and Serge Dedina (alternate).

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Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

## ANALYSIS

The attached summary minutes for the June 3, 2019 regular meeting accurately reflect San Diego LAFCO's actions as recorded by staff. An audio recording of the meeting has also been posted on the Commission's website.

## RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the June 3, 2019 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 through a single motion:

Alternative One (recommended):
Approve the draft minutes prepared for the June 3, 2019 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
Executive Assistant

Attachment:

1) Draft Meeting Minutes for June 3, 2019

# DRAFT MINUTES
# SAN DIEGO LAFCO
# June 3, 2019 REGULAR MEETING

## CALL TO ORDER
The meeting was called to order at 9:00 a.m. by Chair MacKenzie in the County of San Diego Administration Center, 1600 Pacific Highway, Room 302, San Diego.

## ROLL CALL
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 (VICE CHAIR) |
| | Jo MacKenzie, Vista Irrigation District (CHAIR) |
| | Mary Casillas Salas, City of Chula Vista |
| | Andy Vanderlaan, Public |
| | Barry Willis, Alpine Fire Protection District |
| Alternates Present: | Chris Cate, City of San Diego (voting) |
| | Erin Lump, Rincon del Diablo Municipal Water District |
| | Harry Mathis, Public |
| Members Absent: | Mark Kersey, City of San Diego |
| | Bill Wells, City of El Cajon |
| | Greg Cox, County of San Diego (alternate) |
| | Serge Dedina, City of Imperial Beach (alternate) |

The Commission Clerk confirmed a quorum was present with seven voting members. Also present at the dais were the following staff: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Chief Policy Analyst Robert Barry; Local Government Analyst I Linda Zambito; and Executive Assistant Tamaron Luckett serving as Commission Clerk.

Commissioner Salas left the meeting at 9:49 a.m.

## PLEDGE OF ALLEGIANCE
Commissioner Desmond led the Commission in the Pledge of Allegiance.

## AGENDA REVIEW
Chair MacKenzie asked the Executive Officer if there were requests to remove or rearrange items on the agenda. Executive Officer noted no agenda revisions were needed. Chair MacKenzie announced the Commission would proceed with the agenda as presented.

**PUBLIC COMMENT**
Chair MacKenzie asked the public seated in the audience if anyone would like to address the Commission on an item that is not related to the agenda. Without any speaker slips or seeing anyone approach the dais Chair MacKenzie ended the public comment period.

**CONSENT ITEMS**

**Item 1**
**Approval of Meeting Minutes | May 6, 2019**
Item presented for action to approve draft minutes prepared for the Commission's May 6, 2019 regular meeting. Recommendation to approve.

**Item 2**
**Commission Ratification | Recorded Payments for April 2019**
Item presented for action to ratify recorded payments made and received between April 1st and April 30th. Payments totaled $145,956. Recommendation to approve.

**Item 3**
**Service Commendations | Former Commissoners Blakespear, Sprague, and Hanson**
Item presented for action for service recognition for three former Commission members – Catherine Blakespear (regular), Ed Sprague (regular) and Judy Hanson (alternate). Recommendation to adopt the resolutions of commendations for presentation off dais.

**Item 4**
**Progress Report on 2018-2019 Workplan**
Item presented for action to review the current progress of projects established as part of the 2018-2019 workplan. Recommendation to receive and file.

**Item 5**
**Proposed Amendments to 2019-2020 Workplan**
Item presented for action to add four active and high priority projects to the workplan for 2019-2020. Recommendation to approve.

**Item 6**
**Ratification of an Administrative Approval | "Rains-Acacia Avenue Outside of Agency Wastewater Service Agreement–San Diego County Sanitation District" (OAS19-07)**
Item presented for action to ratify an administrative approval of an outside of agency wastewater agreement authorizing San Diego County Sanitation District to provide service to 4392 Acacia Avenue in unincorporated Bonita. Recommendation to ratify.

**Item 7**
**Informational Report on Senate Bill 1266 | Joint Power Filings with San Diego LAFCO**
Item presented as an update on joint-power authority agreement and amendment filings made with the Commission in accordance with Senate Bill 1266. Information only.

**CONSENT ITEMS CONTINUED…**

**Item 8**
**Current Proposals and Related Activities**
Item presented as an update on active and pending proposals on file with the Commission. Information only.

**

Commissioner Salas motioned to approve the consent calendar as recommended in the associated agenda reports with a second from Commissioner Vanderlaan. Roll call requested and the Commission Clerk recorded the following votes:

AYES: Cate (voting), Desmond, Jacob, MacKenzie, Salas, Vanderlaan, and Willis
NOES: None
ABSENT: Cox, Dedina, Kersey (Cate voting in place), and Wells
ABSTAIN: None

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

**PUBLIC HEARING ITEMS**

**Item 9**
**Final Report and Related Actions | Municipal Service Review on the Julian Region**
Item presented for action with a presentation provided by Local Government Analyst I Linda Zambito on the final report and related municipal service review actions involving six local agencies in the Julian region: Cuyamaca Water District; Julian Community Services District; Julian-Cuyamaca Fire Protection District; Lake Cuyamaca Recreation and Park District; Majestic Pines Community Services District; and Wynola Water District. Ms. Zambito summarized the central conclusions and recommendations of the final report. This includes a recommendation calling for LAFCO to dedicate resources to work with the four water agencies in the region in exploring consolidation opportunities if interest exists among the agencies and/or their constituents. Ms. Zambito completed her presentation noting the staff recommendation is for the Commission to formally accept the final report and adopt the accompanying resolution making certain determinations as required under statute.

Chair MacKenzie invited questions from the Commission.

Commissioner Jacob asked for details on the type of outreach performed in communicating the report's recommendations. Commissioner Jacob also asked for clarification on whether any of the four water agencies in the Julian region supported the recommendation to pursue functional or political consolidations. Commissioner Jacob added it would be her preference not to proceed with approving a recommendation that promotes consolidation without support from the affected agencies.

**PUBLIC HEARING ITEMS CONTINUED…**

Ms. Zambito responded that all affected agencies in the Julian region were provided an opportunity to review and formally comment on the report. Ms. Zambito added only technical comments and/or clarifications were provided by the agencies ahead of the publication date for the agenda packet. Staff also clarified the referenced recommendation in the final report for LAFCO involving consolidations is premised on the water agencies taking the first step in affirmatively responding to LAFCO; if the agencies do not approach the Commission no further inquiries will be made by staff at this time.

Commissioner Jacob responded the clarification from staff addressed her primary concern with the final report and she would be agreeable to proceeding with approval pending comments from other Commissioners and the audience.

Commissioner Desmond asked for additional details on the report's recommendation for the four water agencies to pool their resources and contract with a hydrologist to assess groundwater reliability. Commissioner Desmond specified his interest is whether making this type of recommendation is appropriate for LAFCO with respect to directing how local agencies spend local resources. Commissioner Desmond relatedly asked about possible outcomes if the agencies choose not to follow the LAFCO recommendation.

Executive Officer Simonds responded to Commissioner Desmond that the recommendation for the four water agencies to pool their resources was appropriate given LAFCO's task with facilitating the orderly growth and sustainability of cities and districts, and the lack of information on the reliability of local groundwater supplies raises concerns. Executive Officer Simonds added there is no direct consequence to the agencies if they choose not to follow up with a recommendation, but noted it would become consequential should one or more the agencies seek a boundary change with LAFCO.

Commissioner Salas complimented staff for the report and the discussion on the agencies' financial standing. Commissioner Salas suggested expanding and/or otherwise improving LAFCO's ability to engage the general public in preparing these documents would be helpful to ensure citizens are more fully engaged in the study process.

Commissioner Willis also complimented staff for the report and asked for clarification on whether LAFCO would be performing an update on the Julian region in five years. Ms. Zambito responded an update will be performed at some point during the next five-year study schedule and based on inclusion in a future workplan.

With no additional questions from Commissioners, Chair MacKenzie proceeded to open the public hearing and invited comments from the audience. With no audience members approaching the podium, the Chair closed hearing and asked the Commission for a motion.

**PUBLIC HEARING ITEMS CONTINUED…**

**

Commissioner Jacob motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Desmond. Roll call requested and the Commission Clerk recorded the following votes:

AYES: Cate (voting), Desmond, Jacob, MacKenzie, Salas, Vanderlaan, and Willis
NOES: None
ABSENT: Cox, Dedina, Kersey (Cate voting in place), and Wells
ABSTAIN: None

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

**Item 10**
**Proposed Sphere of Influence Updates for the Julian Region**
Item presented for action as a direct follow up to the preceding municipal service review on the Julian region. Executive Officer Simonds provided a brief overview of the item and the staff recommendation to proceed with updating and affirming the spheres of influence for all five active special districts in the region – Cuyamaca Water District, Julian Community Services District, Lake Cuyamaca Recreation and Park District, Majestic Pines Community Serves District and Wynola Water District – without any changes. The Executive Officer added the substantive result of this recommendation is to reaffirm a current LAFCO policy statement that no jurisdictional changes for any of the five agencies is expected and/or otherwise encouraged in the proceeding 60-month period.

Chair MacKenzie asked the Commission if there were any questions for staff. Without any questions from Commissioners, the Chair proceeded to open the public hearing and invited comments from the audience. Seeing no audience members approaching the podium, the Chair closed the public hearing and asked for a motion.

**

Commissioner Jacob motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Salas. Roll call requested and the Commission Clerk recorded the following votes:

AYES: Cate (voting), Desmond, Jacob, MacKenzie, Salas, Vanderlaan, and Willis
NOES: None
ABSENT: Cox, Dedina, Kersey (Cate voting in place), and Wells
ABSTAIN: None

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

**BUSINESS ITEMS**

**Item 11**
**Draft Municipal Service Review |**
**San Diego County Sanitation District**
Item presented for discussion with a verbal presentation provided by Local Government Analyst I Linda Zambito. Ms. Zambito noted this is a draft of the municipal service review for the San Diego County Sanitation District and represents an independent assessment of availability, need, and adequacy of the District's public wastewater services within seven distinct service areas throughout central and east San Diego County. Ms. Zambito added this is the first opportunity for LAFCO to revisit the San Diego County Sanitation District since the Commission approved its formation as part of a multi-entity reorganization in 2011. Main conclusions and recommendations in the draft document were summarized with an invitation to the Commission to identify any areas or topics it would like covered in a final version to be presented following a public review and comment period at the August meeting.

Chair MacKenzie invited comments or questions from the Commission.

Commissioner Jacob suggested staff further review the East County Advanced Water Purification Program and the role therein of the San Diego County Sanitation District.

General Commission discussion followed. No action.

**Item 12**
**Preview of New LAFCO Website**
Item presented for discussion with a verbal presentation from Geographic Analyst Dieu Ngu. Mr. Ngu provided a demonstration of the new LAFCO website under development and noted a secure link would be provided to all Commissioners offline with the invitation for members to submit comments ahead of the site going live as early as August.

General Commission discussion followed. No action.

**Item 13**
**Report from CALAFCO Board Meeting**
Item presented for discussion with a verbal report from Chair MacKenzie summarizing attendance at the CALAFCO Board meeting held in Sacramento on May 10th.

General Commission discussion followed. No action.

**CLOSED SESSION**

Chair MacKenzie announced the Commission would proceed into closed session at 10:03 a.m. for the following four items as provided on the agenda.

**CLOSED SESSION ITEMS CONTINUED…**

**Item 14**
**Conference with Legal Counsel – Existing Litigation:**
Pursuant to Government Code 54956.9(d)(1): *Julian-Cuyamaca Fire Protection District, et al. v. San Diego LAFCO et al.*, San Diego Superior Court Case No. 37-2019-00018076-CU-M C-TL

**Item 15**
**Conference with Legal Counsel – Existing Litigation:**
Pursuant to Government Code 54956.9(d)(1): *Julian Fire Company Association, et al. v. Julian-Cuyamaca Fire Protection District, et al.*, San Diego Superior Court Case No. 37-2018-00020015-CU-WM-CTL

**Item 16**
**Conference with Legal Counsel – Initiation of Litigation:**
Pursuant to Government Code 54956.9(d)(4): One potential case

**Item 17**
**Conference with Legal Counsel – Anticipated of Litigation:**
Pursuant to Government Code 54956.9(d)(2): Significant expose to litigation pursuant to paragraph 92) of subdivision (d) of Section 54956.9. Two cases

**

The Commission reconvened open session at 10:40 a.m. with Commission Counsel Holly Whatley announcing there were no reportable actions taken in closed session.

**EXECUTIVE OFFICER REPORT**
Executive Officer noted LAFCO will be dark in July and congratulated Executive Assistant Ruth Arellano for her ten-year anniversary with LAFCO.

**COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS**
Commissioner Desmond requested LAFCO staff contact his office to discuss the contents of a letter provided on the dais for information from the San Luis Rey Municipal Water District.

**ADJOURNMENT TO NEXT REGULAR MEETING**

With no further business the Chair adjourned at 10:41 a.m. until August 5, 2019.

ATTEST,

Tamaron Luckett
Executive Assistant

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# 5b

**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

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

**SUBJECT:** **Commission Ratification | Recorded Payments for May and June 2019**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report identifying all payments received and made for the months of May and June 2019. These payments cover all recorded transactions for the two-month period and include $418,419 in total distributions made by the Executive Officer with four-fifths tied to reimbursements to the County of San Diego for payroll, rent, overhead, and information technology services. The payments are being presented to the Commission for formal ratification.

## BACKGROUND

### Adopted Policies | Accounting Procedures

San Diego LAFCO's policies provide broad 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 agencies and continually evaluate and enact changes as needed. Purchasing allowances are specified and

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Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

include bid procedures for transactions at or above $10,000 and separate Commission approval for transactions at or above $125,000.

**DISCUSSION**

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer between May 1st and June 30th. A detailing of these transactions is provided in Attachments One (May) and Two (June). The item also provides the Commission the opportunity to provide feedback to the Executive Officer on related matters and inform potential changes in procedures going forward.

**ANALYSIS**

San Diego LAFCO's recorded payments made by the Executive Officer for the two-month period between May and June 2019 totaled $418,419 with 83% – or $347,886 – tied to expenditures with the County of San Diego. This includes covering payroll obligations, office rent, overhead, and information technology services. Professional services represent most of the remaining expenditures during the two-month period and tallied $51,986 and include covering onsite staff support and legal. Recorded revenues totaled $11,132 and drawn from several small application fees and proposal reimbursements.

**RECOMMENDATION**

It is recommended San Diego LAFCO ratify the payments received and made by the Executive Officer between May and June 2019 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 through a single motion:

Alternative One (recommended):
Ratify the recorded payments received and made by the Executive Officer between May 1st and June 30th 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.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1) Recorded Payments, May 2019
2) Recorded Payments, June 2019

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| Payable \| Receivable Party | Date | Account | Amount | Purpose | Type | Funding Account |
|---|---|---|---|---|---|---|
| **E \| Amazon** | | | | | | |
| | 5/1/2019 | 52330 · Office Expense | 14.00 | Amazon Prime Monthly Payment | debit card | 3558 · SDCCU Checking |
| | 5/2/2019 | 52330 · Office Expense | 87.02 | Office Supplies | credit card | 3558-60 · SDCCU Visa Credit Card |
| | | | 101.02 | | | |
| **E \| Ambius** | | | | | | |
| | 5/31/2019 | 52370.J · Professional Services | 97.94 | Monthly Office Plants' Service | check | 3558 · SDCCU Checking |
| **E \| Apple iTunes** | | | | | | |
| | 5/15/2019 | 52330 · Office Expense | 59.99 | PDF Software for Commission iPads | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| ARCC (Assessor Recorder County)** | | | | | | |
| | 5/9/2019 | 52490 · Publications | 50.00 | NOE Fee \| Bonsignore-Guava Lane (DA19-03) | check | 3558 · SDCCU Checking |
| | 5/9/2019 | 52490 · Publications | 50.00 | NOE Fee \| Stonemark Estates (RO18-16) | check | 3558 · SDCCU Checking |
| | 5/9/2019 | 52490 · Publications | 50.00 | NOE Fee \| Stonemark Estates (SA18-16) | check | 3558 · SDCCU Checking |
| | 5/9/2019 | 52490 · Publications | 50.00 | NOE Fee \| Pala Band of Mission Indians (DD18-10) | check | 3558 · SDCCU Checking |
| | | | 200.00 | | | |
| **E \| AT&T Mobility** | | | | | | |
| | 5/3/2019 | 52074 · Telecommunications | 302.72 | Monthly Cell Phone Bill \| EO and Analysts | check | 3558 · SDCCU Checking |
| | 5/31/2019 | 52074 · Telecommunications | 302.72 | Monthly Cell Phone Bill \| EO and Analysts | check | 3558 · SDCCU Checking |
| | | | 605.44 | | | |
| **E \| Billing Hostway** | | | | | | |
| | 5/31/2019 | 52370.E · Professional Services | 21.95 | Monthly Website Support | check | 3558 · SDCCU Checking |
| **E \| Claim Jumper** | | | | | | |
| | 5/6/2019 | 52610 · Non-Travel/In-County | 35.49 | May Debriefing \| EO, Counsel, and Chair | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| CMT Sacramento Taxi** | | | | | | |
| | 5/10/2019 | 52622 · Training/Registration Out-County | 45.00 | Transportation \| CALAFCO Board Meeting: From Airport (KS) | debit card | 3558 · SDCCU Checking |
| **E \| Colantuono, Highsmith & Whatley** | | | | | | |
| | 5/2/2019 | 52622 · Training/Registration Out-County | 623.31 | CALAFCO Staff Workshop Travel Reimbursement | check | 3558 · SDCCU Checking |
| | 5/3/2019 | 52610 · Non-Travel/In-County | 431.30 | Business Travel Reimbursement | check | 3558 · SDCCU Checking |
| | | | 1,054.61 | | | |
| **E \| Cordata** | | | | | | |
| | 5/31/2019 | 52330 · Office Expense | 1.32 | Document Storage | check | 3558 · SDCCU Checking |
| **E \| County of San Diego** | | | | | | |
| | 5/1/2019 | 52530 · Office Lease | 6,656.64 | Office Rent | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52354 · Mail/Postage ISF | 1,165.32 | Mail/Postage Services | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52178 · Vehicle Maintenance | 27.99 | Vehicle Maintenance Services | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52182 · Vehicle Fuel | 39.51 | Vehicle Fuel | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52758 · Vehicle Lease | 165.49 | Vehicle Lease | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52721 et al. · Communications (IT) Services | 19,113.48 | County IT Services (ITRACK) | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52550.B · County Overhead Costs | 12,118.00 | County Services \| A-87 (4th Quarter) | electronic | 1000 · County Account (44595) |
| | 5/3/2019 | 51110 et al. · Employee Payroll | 44,732.35 | Payroll \| Pay Period 2019-22 | electronic | 1000 · County Account (44595) |
| | 5/17/2019 | 51110 et al. · Employee Payroll | 45,408.97 | Payroll \| Pay Period 2019-23 | electronic | 1000 · County Account (44595) |
| | 5/31/2019 | 51110 et al. · Employee Payroll | 39,966.58 | Payroll \| Pay Period 2019-24 | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52344 · Stores Unallocated | 467.22 | Office Supplies \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | 5/1/2019 | 52344 · Stores Unallocated | 18.14 | County Surcharge \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | 5/2/2019 | 52330 · Office Expense | 11.38 | Iron Mountain Storage Fee | electronic | 1000 · County Account (44595) |
| | 5/2/2019 | 52330 · Office Expense | 0.18 | County Surcharge \| Iron Mountain | electronic | 1000 · County Account (44595) |
| | 5/24/2019 | 52344 · Stores Unallocated | 228.48 | Office Supplies \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | 5/28/2019 | 52344 · Stores Unallocated | 3.68 | County Surcharge \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | 5/30/2019 | 52504 · Equipment Rental | 2.16 | County Surcharge \| Xerox | electronic | 1000 · County Account (44595) |
| | 5/31/2019 | 52550 · Special Department | 59,872.00 | ROV Invoice for JCFPD Election | electronic | 1000 · County Account (44595) |
| | | | 229,997.57 | | | |
| **E \| CSDA San Diego Chapter** | | | | | | |
| | 5/9/2019 | 52270 · Memberships | 60.00 | Registration \| CSDA Quarterly Meeting (EO & LZ) | check | 3558 · SDCCU Checking |
| **E \| Culligan of San Diego** | | | | | | |
| | 5/3/2019 | 52330 · Office Expense | 61.00 | Monthly Water Service | check | 3558 · SDCCU Checking |
| **E \| Dept. of General Services** | | | | | | |
| | 5/21/2019 | 52562 · Investigative/Recruitment | 15.00 | County Badge Renewal for Consultant John Traylor | check | 3558 · SDCCU Checking |

**SAN DIEGO LAFCO**
## Expenses by Vendor Detail
**May 2019**

| Payable \| Receivable Party | Date | Account | Amount | Purpose | Type | Funding Account |
|---|---|---|---|---|---|---|
| **E \| Dieu Ngu** | | | | | | |
| | 5/2/2019 | 52610 · Non-Travel/In-County | 32.75 | GIS Meeting Refreshments Reimbursement | check | 3558 · SDCCU Checking |
| **E \| Earl John Traylor** | | | | | | |
| | 5/2/2019 | 52610 · Non-Travel/In-County | 107.30 | Mileage Reimbursement | check | 3558 · SDCCU Checking |
| | 5/13/2019 | 52370.F · Professional Services | 4,845.00 | Consultant Services \| Fire | electronic | 1000 · County Account (44595) |
| | | | 4,952.30 | | | |
| **E \| Einstein Bagels** | | | | | | |
| | 5/10/2019 | 52622 · Training/Registration Out-County | 2.83 | Travel \| Breakfast at SAN; EO Travel to CALAFCO Board Meeting | credit card | 3558-60 · SDCCU Visa Credit Card |
| | 5/29/2019 | 52610 · Non-Travel/In-County | 13.89 | New Commissioner Orientation (EO and BW) | credit card | 3558-60 · SDCCU Visa Credit Card |
| | | | 16.72 | | | |
| **E \| Harland Clarke** | | | | | | |
| | 5/1/2019 | 52330 · Office Expense | 148.65 | Reorder SDCCU Checks | debit card | 3558 · SDCCU Checking |
| **E \| Harry Ehrlich** | | | | | | |
| | 5/14/2019 | 52370.G · Professional Services | 700.00 | Consultant Services \| Legislation | electronic | 1000 · County Account (44595) |
| **E \| Jo MacKenzie** | | | | | | |
| | 5/31/2019 | 52622 · Training/Registration Out-County | 425.46 | CALAFCO Board Meeting Travel Reimbursement | check | 3558 · SDCCU Checking |
| **E \| Peterson Donut** | | | | | | |
| | 5/6/2019 | 52330 · Office Expense | 2.00 | ATM Fee for Peterson Donut (Commission Meeting) | debit card | 3558 · SDCCU Checking |
| | 5/6/2019 | 52330 · Office Expense | 31.75 | Refreshments for Commission Meeting at CAC | debit card | 3558 · SDCCU Checking |
| | | | 33.75 | | | |
| **E \| Price Self Storage** | | | | | | |
| | 5/1/2019 | 52504 · Equipment Rental | 64.00 | Storage Unit Monthly Payment | debit card | 3558 · SDCCU Checking |
| | 5/29/2019 | 52504 · Equipment Rental | 64.00 | Storage Unit Monthly Payment | debit card | 3558 · SDCCU Checking |
| | | | 128.00 | | | |
| **E \| Renato Rodriguez** | | | | | | |
| | 5/9/2019 | 52330 · Office Expense | 60.00 | Coffee for Commission Meeting at CAC | check | 3558 · SDCCU Checking |
| **E \| San Diego County RAA Parking** | | | | | | |
| | 5/10/2019 | 52622 · Training/Registration Out-County | 32.00 | Airport Parking at SAN \| CALAFCO Board Meeting (KS) | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| San Diego Metal Graphics** | | | | | | |
| | 5/2/2019 | 52330 · Office Expense | 32.33 | New Commissioner Nameplates | check | 3558 · SDCCU Checking |
| **E \| San Diego Union Tribune** | | | | | | |
| | 5/31/2019 | 52490 · Publications | 767.22 | Annual Newspaper Subscription | check | 3558 · SDCCU Checking |
| | 5/31/2019 | 52490 · Publications | 2,772.00 | PHNs for May 2019 Commission Meeting | check | 3558 · SDCCU Checking |
| | | | 3,539.22 | | | |
| **E \| Specialties Café** | | | | | | |
| | 5/10/2019 | 52610 · Non-Travel/In-County | 8.59 | Travel \| Lunch; EO Travel to CALAFCO Board Meeting | debit card | 3558 · SDCCU Checking |
| **E \| Starbucks** | | | | | | |
| | 5/2/2019 | 52622 · Training/Registration Out-County | 5.95 | New Commissioner Orientation (EO and EL) | debit card | 3558 · SDCCU Checking |
| **E \| Tamaron Luckett** | | | | | | |
| | 5/9/2019 | 52622 · Training/Registration Out-County | 22.69 | CALAFCO Staff Meeting Travel Reimbursement | check | 3558 · SDCCU Checking |
| **E \| USPS** | | | | | | |
| | 5/9/2019 | 52332 · Postage | 29.40 | Postage Commission Recognition Awards | debit card | 3558 · SDCCU Checking |
| **E \| Vistaprint** | | | | | | |
| | 5/6/2019 | 52334 · Printing | 98.56 | Office Supplies with New Logo | credit card | 3558-60 · SDCCU Visa Credit Card |
| **EXPENSE TOTAL** | | | 242,622.70 | | | |

**SAN DIEGO LAFCO**
## Expenses by Vendor Detail
**May 2019**

| Payable \| Receivable Party | Date | Account | Amount | Purpose | Type | Funding Account |
|---|---|---|---|---|---|---|
| **R \| CALAFCO** | | | | | | |
| | 5/1/2019 | 52622 · Training/Registration Out-County | 290.00 | Refund for KS CALAFCO Staff Workshop Registration | check | 3558 · SDCCU Checking |
| **R \| Cash** | | | | | | |
| | 5/16/2019 | 52330 · Office Expense | 10.00 | Cash back from ATM at Peterson Donuts | cash | 3558 · SDCCU Checking |
| **R \| County of San Diego** | | | | | | |
| | 4/30/2019 | 49200 · Interest & Dividends | 900.09 | Interest Payment to Account 46725 | electronic | 1001 · General Fund (46725) |
| | 4/30/2019 | 49200 · Interest & Dividends | 191.82 | Interest Payment to Account 46726 | electronic | 1002 · Special Projects Fund (46726) |
| | 4/30/2019 | 49200 · Interest & Dividends | 160.55 | Interest Payment to Account 46727 | electronic | 1003 · Jurisdictional Fund (46727) |
| | | | 1,252.46 | | | |
| **R \| Cynthia Bonsignore** | | | | | | |
| | 5/9/2019 | 52490 · Publications | 1,274.00 | SBE, Recording & PHN Fees (DA19-03) | check | 3558 · SDCCU Checking |
| **R \| Jazziminate Inc.** | | | | | | |
| | 5/9/2019 | 52490 · Publications | 974.00 | Recording & PHN Fees (OAS18-07) | check | 3558 · SDCCU Checking |
| **R \| Leucadia WWD** | | | | | | |
| | 5/6/2019 | 52490 · Publications | 50.00 | Recording Fee (DA18-18) | check | 3558 · SDCCU Checking |
| **R \| Pala Band of Mission Indians** | | | | | | |
| | 5/16/2019 | 52490 · Publications | 974.00 | Recording & PHN Fees (DD18-10) | check | 3558 · SDCCU Checking |
| **R \| Tamaron Luckett** | | | | | | |
| | 5/14/2019 | 52622 · Training/Registration Out-County | 131.00 | CALAFCO Staff Workshop Dinner Reimbursement | cash | 3558 · SDCCU Checking |
| **REVENUE TOTAL** | | | 4,955.46 | | | |

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| Payable \| Receivable Party | Date | Account | Amount | Purpose | Type | Funding Account |
|---|---|---|---|---|---|---|
| **E \| Amazon** | | | | | | |
| | 6/1/2019 | 52330 · Office Expense | 14.00 | Amazon Prime Monthly Payment | credit card | 3558-60 · SDCCU Visa Credit Card |
| | 6/10/2019 | 52330 · Office Expense | 134.85 | Office Supplies | credit card | 3558-60 · SDCCU Visa Credit Card |
| | | | 148.85 | | | |
| **E \| Ambius** | | | | | | |
| | 6/28/2019 | 52370.J · Professional Services | 97.94 | Monthly Office Plants' Service | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52370.J · Professional Services | 97.94 | Monthly Office Plants' Service | check | 3558 · SDCCU Checking |
| | | | 195.88 | | | |
| **E \| ARCC (Assessor Recorder County)** | | | | | | |
| | 6/13/2019 | 52490 · Publications | 50.00 | NOE Fee \| Julian Region MSR | check | 3558 · SDCCU Checking |
| | 6/13/2019 | 52490 · Publications | 50.00 | NOE Fee \| Julian Region SOI Update | check | 3558 · SDCCU Checking |
| | | | 100.00 | | | |
| **E \| AT&T Mobility** | | | | | | |
| | 6/28/2019 | 52074 · Telecommunications | 302.73 | Monthly Cell Phone Bill \| EO and Analysts | check | 3558 · SDCCU Checking |
| **E \| Billing Hostway** | | | | | | |
| | 6/28/2019 | 52370.E · Professional Services | 21.95 | Monthly Website Support | check | 3558 · SDCCU Checking |
| **E \| Chili's** | | | | | | |
| | 6/14/2019 | 52610 · Non-Travel/In-County | 29.33 | Debriefing \| EO and Chair | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| Colantuono, Highsmith & Whatley** | | | | | | |
| | 6/14/2019 | 52370.B · Professional Services | 5,343.00 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/21/2019 | 52370.B · Professional Services | 3,206.50 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 416.29 | Business Travel Reimbursement | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 337.31 | Business Travel Reimbursement | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 990.34 | Business Travel Reimbursement | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52370.B · Professional Services | 15.00 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.B · Professional Services | 6,870.00 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.B · Professional Services | 7,978.00 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.B · Professional Services | 7,752.50 | Special Counsel Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 334.76 | Business Travel Reimbursement | check | 3558 · SDCCU Checking |
| | | | 33,243.70 | | | |
| **E \| Copy 2 Copy** | | | | | | |
| | 6/28/2019 | 52334 · Printing | 1,369.45 | 30 Bound Copies of Julian MSR | check | 3558 · SDCCU Checking |
| **E \| Cordata** | | | | | | |
| | 6/28/2019 | 52330 · Office Expense | 1.30 | Document Storage | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52330 · Office Expense | 1.32 | Document Storage | check | 3558 · SDCCU Checking |
| | | | 2.62 | | | |
| **E \| County of San Diego** | | | | | | |
| | 6/1/2019 | 52530 · Office Lease | 6,656.64 | Office Rent | electronic | 1000 · County Account (44595) |
| | 6/1/2019 | 52354 · Mail/Postage ISF | 669.09 | Mail/Postage Services | electronic | 1000 · County Account (44595) |
| | 6/1/2019 | 52178 · Vehicle Maintenance | 27.99 | Vehicle Maintenance Services | electronic | 1000 · County Account (44595) |
| | 6/1/2019 | 52182 · Vehicle Fuel | 54.68 | Vehicle Fuel | electronic | 1000 · County Account (44595) |
| | 6/1/2019 | 52758 · Vehicle Lease | 165.49 | Vehicle Lease | electronic | 1000 · County Account (44595) |
| | 6/1/2019 | 52721 et al. · Communications (IT) Services | 9,624.75 | County IT Services (ITRACK) | electronic | 1000 · County Account (44595) |
| | 6/14/2019 | 51110 et al. · Employee Payroll | 46,678.63 | Payroll \| Pay Period 2019-25 | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 51110 et al. · Employee Payroll | 53,451.51 | Payroll \| Pay Period 2019-26 | electronic | 1000 · County Account (44595) |
| | 6/5/2019 | 52504 · Equipment Rental | 6.25 | County Surcharge \| Xerox | electronic | 1000 · County Account (44595) |
| | 6/26/2019 | 52344 · Stores Unallocated | 545.00 | Office Supplies \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | 6/26/2019 | 52344 · Stores Unallocated | 8.77 | County Surcharge \| Office Depot Order | electronic | 1000 · County Account (44595) |
| | | | 117,888.80 | | | |
| **E \| Culligan of San Diego** | | | | | | |
| | 6/28/2019 | 52330 · Office Expense | 48.00 | Monthly Water Service | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52330 · Office Expense | 48.00 | Monthly Water Service | check | 3558 · SDCCU Checking |
| | | | 96.00 | | | |
| **E \| Dieu Ngu** | | | | | | |
| | 6/4/2019 | 52610 · Non-Travel/In-County | 64.51 | Website & Commission Meeting Refreshments Reimbursements | check | 3558 · SDCCU Checking |

**SAN DIEGO LAFCO**
**Expenses by Vendor Detail**
**June 2019**

| | | | | | | |
|---|---|---|---|---|---|---|
| **E \| Earl John Traylor** | | | | | | |
| | 6/14/2019 | 52370.F · Professional Services | 4,275.00 | Consultant Services \| Fire | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 94.12 | Mileage Reimbursement | check k | 3558 · SDCCU Checking |
| | 6/28/2019 | 52370.F · Professional Services | 4,322.50 | Consultant Services \| Fire | electronic | 1000 · County Account (44595) |
| | | | 8,785.58 | | | |
| **E \| ESRI** | | | | | | |
| | 6/11/2019 | 52270 · Memberships | 1,795.00 | ESRI Annual Conference Registration (DN) | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| Harry Ehrlich** | | | | | | |
| | 6/20/2019 | 52370.G · Professional Services | 1,505.41 | Consultant Services \| Legislation | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.G · Professional Services | 600.00 | Consultant Services \| Legislation | electronic | 1000 · County Account (44595) |
| | | | 2,105.41 | | | |
| **E \| Jo MacKenzie** | | | | | | |
| | 6/28/2019 | 52622 · Training/Registration Out-County | 426.51 | CALAFCO Board Meeting Travel Reimbursements | check | 3558 · SDCCU Checking |
| **E \| Leaf & Cole LLP** | | | | | | |
| | 6/28/2019 | 52370.H · Professional Services \| Accounting | 165.13 | Accounting Services | check | 3558 · SDCCU Checking |
| | 6/28/2019 | 52370.H · Professional Services \| Accounting | 1,385.00 | Accounting Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.H · Professional Services \| Accounting | 635.00 | Accounting Services | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52370.H · Professional Services \| Accounting | 2,050.00 | Accounting Services | electronic | 1000 · County Account (44595) |
| | | | 4,235.13 | | | |
| **E \| Michael's** | | | | | | |
| | 6/12/2019 | 52330 · Office Expense | 667.41 | Framed Commendation Resolutions for Commissioners | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| Minuteman Press** | | | | | | |
| | 6/28/2019 | 52334 · Printing | 635.73 | Staff Business Cards with New Logo | check | 3558 · SDCCU Checking |
| **E \| Original Pancake House** | | | | | | |
| | 6/19/2019 | 52610 · Non-Travel/In-County | 207.18 | 4th Quarter Staff Meeting | credit card | 3558-60 · SDCCU Visa Credit Card |
| | 6/28/2019 | 52610 · Non-Travel/In-County | 43.36 | EO and Former EO Quarterly Meeting | credit card | 3558-60 · SDCCU Visa Credit Card |
| | | | 250.54 | | | |
| **E \| Peterson Donut** | | | | | | |
| | 6/21/2019 | 52330 · Office Expense | 2.00 | ATM Fee for Peterson Donut (Commission Meeting) | debit card | 3558 · SDCCU Checking |
| | 6/21/2019 | 52330 · Office Expense | 31.90 | Refreshments for SDAC Meeting at CAC | debit card | 3558 · SDCCU Checking |
| | | | 33.90 | | | |
| **E \| Price Self Storage** | | | | | | |
| | 6/26/2019 | 52504 · Equipment Rental | 64.00 | Storage Unit Monthly Payment | debit card | 3558 · SDCCU Checking |
| **E \| Renato Rodriguez** | | | | | | |
| | 6/28/2019 | 52330 · Office Expense | 40.00 | Coffee for SDAC Meeting at CAC | check | 3558 · SDCCU Checking |
| **E \| San Diego Union Tribune** | | | | | | |
| | 6/28/2019 | 52490 · Publications | 722.64 | PHNs for June 2019 Commission Meeting | check | 3558 · SDCCU Checking |
| **E \| Shutterstock** | | | | | | |
| | 6/14/2019 | 52334 · Printing | 49.00 | Photo Stock for Audit RFP | credit card | 3558-60 · SDCCU Visa Credit Card |
| **E \| Southwest** | | | | | | |
| | 6/10/2019 | 52622 · Training/Registration Out-County | 117.97 | Flights to CALAFCO Annual Conference October 2019 (EO) | credit card | 3558-60 · SDCCU Visa Credit Card |
| | 6/21/2019 | 52622 · Training/Registration Out-County | 58.98 | Flight to CALAFCO University July 2019 (AV) | credit card | 3558-60 · SDCCU Visa Credit Card |
| | 6/25/2019 | 52622 · Training/Registration Out-County | 135.98 | Flight from CALAFCO University July 2019 (AV) | credit card | 3558-60 · SDCCU Visa Credit Card |
| | | | 312.93 | | | |
| **E \| Xerox** | | | | | | |
| | 6/5/2019 | 52504 · Equipment Rental | 591.50 | Xerox Rental | electronic | 1000 · County Account (44595) |
| | 6/10/2019 | 52504 · Equipment Rental | 230.59 | Xerox Rental | electronic | 1000 · County Account (44595) |
| | 6/10/2019 | 52504 · Equipment Rental | 283.59 | Xerox Rental | electronic | 1000 · County Account (44595) |
| | 6/28/2019 | 52504 · Equipment Rental | 1,102.69 | Xerox Rental | electronic | 1000 · County Account (44595) |
| | | | 2,208.37 | | | |
| **EXPENSE TOTAL** | | | 175,795.97 | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **R \| City of Vista** | | | | | | |
| | 6/5/2019 | 52490 · Publications | 100.00 | Recording Fees (RO18-16) | check | 3558 · SDCCU Checking |
| | 6/5/2019 | 52490 · Publications | 924.00 | PHN Fees (RO18-16) | check | 3558 · SDCCU Checking |
| | | | 1,024.00 | | | |
| **R \| Fallbrook PUD** | | | | | | |
| | 6/12/2019 | 46234 · Applications | 1,250.00 | LAFCO General Staff Time; Proposal Research | check | 3558 · SDCCU Checking |
| **R \| Rainbow MWD** | | | | | | |
| | 6/17/2019 | 46234 · Applications | 1,250.00 | LAFCO General Staff Time; Proposal Research | check | 3558 · SDCCU Checking |
| **R \| Robert Wilmott** | | | | | | |
| | 6/7/2019 | 46234 · Applications | 2,642.06 | LAFCO Processing Fees (RO19-08) | check | 3558 · SDCCU Checking |
| **R \| SDCCU** | | | | | | |
| | 6/20/2019 | 52330 · Office Expense | 0.60 | SDCCU Paybacks from Starbucks Purchase | electronic | 3558 · SDCCU Checking |
| **R \| Suzanne Thorley** | | | | | | |
| | 6/1/2019 | 46234 · Applications | 10.00 | Palomar Airport PRA Request with Flash drive | check | 3558 · SDCCU Checking |
| **REVENUE TOTAL** | | | 6,176.66 | | | |

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**5c**

**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

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

**SUBJECT:** **End of Year Budget Report for 2018-2019**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review an end of year report comparing budget and actual expense and revenue transactions for 2018-2019. The report notes the Commission finished the fiscal year in positive standing with a net operating balance of $56,354 or 1.5%. The net balance includes a budgeted draw-down on reserves with the cumulative result marking a (10.0%) change in the fund balance from $1,607,486 to $1,446,654. The report is being presented to the Commission to formally file.

## BACKGROUND

San Diego LAFCO's adopted budget for 2018-2019 with amendments totaled $2,004,554. This amount represented the total approved operating expense for the fiscal year. A total of $2,013,880 in operating revenues was separately budgeted with amendments to provide a projected year-end net of $9,326 with the purposeful aid of a $217,186 transfer from unassigned reserves to accommodate – among other items – unique expenses tied to processing the "Julian-Cuyamaca Fire Protection District Reorganization." The Commission's total fund balance as of July 1, 2018 was $1,607,486.

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Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

## DISCUSSION

This item is for San Diego LAFCO to receive a final comparison of (a) budget to (b) actual expenses and revenues in conjunction with the administrative close of 2018-2019 and ahead of an audited review. The report provides the Commission the opportunity to review expense and revenue trends relative to recent years and provide follow up with staff as needed. The report is being presented to the Commission to formally accept and file.

### Summary | Operating Expenses

San Diego LAFCO's budgeted operating expense total for 2018-2019 was $2,004,554 with amendments approved in May 2019.[1] Actual expenses through the end of the year equaled $1,926,925 and represent 96% of the budgeted total with unexpended savings of $77,629. A breakdown of budget to actual expenses by unit through June 30th follows.

| Expense Units | Adopted w/Amendments | Actuals | Percent Expended | Unexpended Balance |
|---|---|---|---|---|
| 1) Salaries and Benefits | 1,083,574 | 1,058,743 | 98% | 24,831 |
| 2) Services and Supplies | 915,980 | 865,683 | 95% | 50,297 |
| 3) Other | 5,000 | 2,500 | 50% | 2,500 |
| **Total** | **$2,004,554** | **$1,926,925** | **96%** | **$77,629** |

An expanded discussion on budgeted and actuals through the end of the year follows.

#### Expense Unit | Salaries and Benefits

San Diego LAFCO budgeted $1,083,574 in salaries and benefits for 2018-2019 with the proceeds largely tied to funding 8.0 fulltime equivalent employees as well as existing retiree obligations.[2] The Commission's actual expenses totaled $1,058,743 or 98% of the budgeted amount and produced an unexpended savings of $24,831. Additional savings – notably – were redirected through a mid-year budget amendment and would have otherwise expanded the surplus attributed to phasing in the placement of two budgeted positions – GIS Analyst and Analyst I – during the fiscal year.

#### Expense Unit | Services and Supplies

San Diego LAFCO budgeted $915,980 in services and supplies for 2018-2019 to provide funding for direct support services. The majority of the budgeted funds were dedicated to professional services to cover such items as consultant and legal services as well as making reimbursements to the County of San Diego for office rent, information technology, and general overhead. The Commission's actual expenses totaled $865,683 or 95% of the budgeted amount and produced an unexpended savings of $50,297. This savings is largely the result of a mid-year budget amendment to add additional monies to address higher than anticipated legal and consultant costs generated in processing the Julian-Cuyamaca Fire Protection District Reorganization.

[1] The amendments approved in May 2019 increased the total approved operating expense total from $1,906,694 to $2,004,554 with the majority of the additional funds directed to the professional services account in the Services and Supplies Unit.
[2] Commission per diem payments are also booked in the salaries account.

### Expense Unit | Other

San Diego LAFCO budgeted $5,000 in two separate units to collectively address equipment depreciation and potential fixed asset purchases in 2018-2019. The Commission's actual expenses totaled $2,500 or 50% of the budgeted amount and tied to funding depreciation for LAFCO's copier and scanning machines. No new capital assets were purchased during the fiscal year.

## Summary | Operating Revenues

San Diego LAFCO's budgeted operating revenue total for 2018-2019 was $2,013,880 with amendments approved in May 2019.[3] Actual revenues through the end of the year equaled $1,983,279 and represent 98% of the budgeted total with an uncollected balance of $30,601. A breakdown of budget to actual revenues by unit through June 30th follows.

| Revenue Units | Adopted w/Amendments | Actuals | Percent Collected | Uncollected Balance |
|---|---|---|---|---|
| 1) Intergovernmental | 1,664,894 | 1,664,894 | 100 | 0 |
| 2) Service Charges | 125,000 | 82,147 | 66 | 42,853 |
| 3) Earnings | 6,800 | 19,052 | 280 | (12,252) |
| 4) Miscellaneous | 217,186 | 217,186 | 100 | 0 |
| **Total** | **$2,013,880** | **$1,983,279** | **98%** | **$30,601** |

An expanded discussion on budgeted and actuals through the end of the year follows.

### Revenue Unit | Intergovernmental Fees

San Diego LAFCO budgeted $1,664,894 in intergovernmental fees in 2018-2019. This total budgeted amount was subsequently divided between San Diego LAFCO's four agency membership categories based on statutory formula. The County of San Diego, independent districts, and cities less City of San Diego all received apportionments equaling $476,160. The remaining amount – $236,414 – was apportioned to the City of San Diego. All agency apportionments were collected.

### Revenue Unit | Service Charges

San Diego LAFCO budgeted $125,000 in application fees in 2018-2019. The Commission's actual revenues within the unit totaled $82,147 or 66% of the budgeted amount. The collected amount is largely tied to 13 new proposal filings during the fiscal year.

### Revenue Unit | Earnings

San Diego LAFCO budgeted $6,800 in interest earnings in 2018-2019. The Commission's actual revenues within the unit totaled $19,052 or 280% of the budgeted amount.

[3] The amendments approved in May 2019 increased the total approved revenue total from $1,906,694 to $2,013,880 and entirely tied to a further draw-down on reserves to cover additional professional service expenses incurred during the fiscal year.

**Revenue Unit | Miscellaneous**

San Diego LAFCO budgeted $217,186 in operating transfers from unassigned reserves in 2018-2019. This budgeted amount includes a mid-year amendment to increase the transfer from its initial amount of $110,000 to fund unexpected expenses detailed in the preceding section. All budgeted monies were transferred in June.

## ANALYSIS

San Diego LAFCO finished the fiscal year as expected following mid-year budget amendments while generating a modest operating surplus of $56,354 or 1.5%. The surplus serves to reduce the overall draw-down on reserves needed during the fiscal year and most notably to absorb unique and otherwise extraordinary expenses incurred in processing the Julian-Cuyamaca Fire Protection District Reorganization. (This includes covering the costs of a special election and various legal proceedings.) Savings in salaries and benefits helped to limit the demand on reserves and tied to phasing in the filling of two budgeted analyst positions during the fiscal year. The cumulative change to the cash fund balance – and less accrual adjustments – is (10%) from $1,607,486 to $1,446,654.

## RECOMMENDATION

It is recommended San Diego LAFCO proceed with Alternative One as outlined in the proceeding section.

## ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO in considering this item:

Alternative One (recommended)
Accept and file the report as presented.

Alternative Two
Continue to a future meeting and provide direction to staff as needed.

## 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) 2018-2019 Operating Budget with Actuals Through June 30th

## ADOPTED OPERATING BUDGET | 2018-19

### OPERATING EXPENSES

| | | FY2016-17 | | FY2017-18 | | FY2018-19 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Adopted FY16-17 | Actuals FY16-17 | Adopted FY17-18 | Actuals FY17-18 | Adopted FY18-19 | Amended FY18-19 | Actuals FY18-19 | $ Balance | % Expended |
| **Salary and Benefit Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 51110-51310 | Salaries and Wages | 1,073,177 | 538,165 | 1,100,599 | 617,838 | 689,719 | 650,000 | 638,748 | 11,252 | 0.98 |
| 51410 | Retirement - SDCERA | - | 187,262 | - | 166,680 | 239,780 | 235,000 | 230,865 | 4,135 | 0.98 |
| 51415 | Retirement - OPEB | - | 9,323 | - | 7,256 | 10,560 | 10,560 | 10,091 | 469 | 0.96 |
| 51421 | Retirement - Pension Obligation Bonds | - | 34,496 | - | 27,841 | 41,598 | 41,598 | 37,308 | 4,290 | 0.90 |
| 51450 | Payroll Tax (Social and Medicare) | - | 36,919 | - | 35,613 | 48,958 | 48,958 | 46,163 | 2,795 | 0.94 |
| 51510-51550 | Group Insurance (Health) | - | 69,440 | - | 74,615 | 96,958 | 96,958 | 95,405 | 1,553 | 0.98 |
| 51560 | Unemployment Insurance | - | 154 | - | 235 | 4,032 | 500 | 163 | 337 | 0.33 |
| | | 1,073,177 | 875,759 | 1,100,599 | 930,078 | 1,131,604 | 1,083,574 | 1,058,743 | 24,831 | 0.98 |
| **Services and Supplies Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 52074 | Telecommunications | 500 | - | 500 | 2,266 | 2,500 | 2,500 | 3,860 | (1,360) | 1.54 |
| 52178 | Vehicle - Maintenance | 2,000 | 1,456 | 2,000 | 489 | 2,000 | 2,000 | 610 | 1,390 | 0.30 |
| 52182 | Vehicle - Fuel | 1,500 | 1,096 | 1,500 | 401 | 1,500 | 1,500 | 367 | 1,133 | 0.24 |
| 52270 | Memberships | 10,107 | 8,107 | 15,000 | 11,328 | 13,000 | 13,000 | 14,601 | (1,601) | 1.12 |
| 52304 | Miscellaneous | 50 | - | 50 | 6,001 | 50 | 50 | 20 | 30 | 0.40 |
| 52330 | Office: General | 1,000 | - | 1,000 | 15,253 | 8,500 | 8,500 | 6,399 | 2,101 | 0.75 |
| 52332 | Office: Postage | 500 | - | 500 | - | 500 | 500 | 84 | 416 | 0.17 |
| 52334 | Office: Printing | 7,500 | 20 | 7,500 | - | 10,000 | 10,000 | 4,795 | 5,205 | 0.48 |
| 52336 | Office: Books and Guidelines | 2,000 | - | 2,000 | 3,609 | 2,000 | 2,000 | 3,226 | (1,226) | 1.61 |
| 52338 | Office: Drafting/Engineering | 50 | - | 50 | - | 50 | 50 | - | 50 | - |
| 52344 | Office: Stores Unallocated | 17,500 | 10,806 | 18,000 | 13,140 | 17,500 | 17,500 | 9,302 | 8,199 | 0.53 |
| 52354 | Office: County Mail Services | 9,500 | 8,220 | 9,000 | 10,037 | 9,000 | 9,000 | 18,896 | (9,896) | 2.10 |
| 52370 | Professional Services: Consultants | 402,500 | 408,717 | 382,500 | 326,850 | 259,110 | 405,000 | 398,125 | 6,875 | 0.98 |
| 52490 | Publications and Legal Notices | 2,500 | 57 | 7,500 | 7,085 | 5,000 | 5,000 | 10,382 | (5,382) | 2.08 |
| 52504 | Leases: Equipment | - | 4,779 | 4,000 | 5,498 | 6,500 | 6,500 | 8,137 | (1,637) | 1.25 |
| 52530 | Leases: Office Space | 77,000 | 75,722 | 80,000 | 79,789 | 79,880 | 79,880 | 79,555 | 325 | 1.00 |
| 52550 | Special Expenses: County Overhead | 100,000 | 196,412 | 155,000 | 47,826 | 155,000 | 155,000 | 113,842 | 41,158 | 0.73 |
| 52562 | Special Expenses: New Hire Backgrounds | - | - | - | 572 | - | - | 689 | (689) | - |
| 52566 | Special Expenses: Minor Equipment | 1,000 | - | 1,000 | 1,164 | 1,000 | 1,000 | 2,788 | (1,788) | 2.79 |
| 52602 | Computer Training | 2,000 | - | 2,000 | - | 2,000 | 2,000 | - | 2,000 | - |
| 52610 | Travel and Training \| In County | 500 | - | 500 | 11,301 | 5,000 | 5,000 | 6,634 | (1,634) | 1.33 |
| 52612 | Employee Auto | 10,000 | 8,802 | 10,000 | 8,724 | 10,000 | 10,000 | 9,069 | 931 | 0.91 |
| 52622 | Travel and Training \| Out of County | 1,000 | - | 1,000 | 14,390 | 10,000 | 10,000 | 25,432 | (15,432) | 2.54 |
| 52704-52722 | Reimbursements: Network | 33,500 | 29,140 | 31,500 | 27,137 | 30,000 | 30,000 | 26,450 | 3,550 | 0.88 |
| 52723 | Reimbursements: Data Center | 51,000 | 52,403 | 45,000 | 48,214 | 45,000 | 45,000 | 30,728 | 14,272 | 0.68 |
| 52725 | Reimbursements: Financial Systems | 6,000 | 20,940 | 20,000 | 18,888 | 20,000 | 20,000 | 27,556 | (7,556) | 1.38 |
| 52726-52732 | Reimbursements: Desktop Computing | 40,200 | 28,248 | 27,700 | 47,462 | 25,000 | 25,000 | 25,311 | (311) | 1.01 |
| 52734 | Reimbursements: Help Desk | 2,500 | 4,531 | 2,500 | 3,154 | 3,000 | 3,000 | 4,743 | (1,743) | 1.58 |
| 52750-52754 | Reimbursements: Catalog Equipment | 117,480 | 27,121 | 51,000 | 23,973 | 45,000 | 45,000 | 32,097 | 12,903 | 0.71 |
| 52758 | Reimbursements: Vehicle Lease | 2,500 | 166 | 3,000 | 1,986 | 2,000 | 2,000 | 1,986 | 14 | 0.99 |
| | | 901,887 | 886,743 | 881,300 | 736,535 | 770,090 | 915,980 | 865,683 | 50,297 | 0.95 |
| **Other Units** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 53585 | Equipment Depreciation | 2,500 | 2,019 | 2,500 | 2,019 | 2,500 | 2,500 | 2,500 | - | 1.00 |
| 54955-54961 | Fixed Assets | 1,500 | - | 2,500 | - | 2,500 | 2,500 | - | 2,500 | - |
| | | 4,000 | 2,019 | 5,000 | 2,019 | 5,000 | 5,000 | 2,500 | 2,500 | 0.50 |
| | **EXPENSE TOTALS** | **1,979,064** | **1,764,521** | **1,986,899** | **1,668,632** | **1,906,694** | **2,004,554** | **1,926,925** | **77,629** | **0.96** |

## OPERATING REVENUES

| | | FY2016-17 | | FY2017-18 | | FY2018-19 | | | | FY2018-19 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Adopted FY16-17 | Actual FY16-17 | Adopted FY17-18 | Actuals FY17-18 | Adopted FY18-19 | Amended FY18-19 | Actuals FY18-19 | $ Uncollected | % Collected |
| **Intergovernmental Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 45918 | Agency Apportionments | 1,578,564 | 1,577,636 | 1,635,099 | 1,635,099 | 1,664,894 | 1,664,894 | 1,664,894 | - | 1.00 |
| | | 1,578,564 | 1,577,636 | 1,635,099 | 1,635,099 | 1,664,894 | 1,664,894 | 1,664,894 | - | 1.00 |
| **Service Charges Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 46234 | Applicant Fees | 150,000 | 186,717 | 125,000 | 168,009 | 125,000 | 125,000 | 82,147 | 42,853 | 0.66 |
| | | 150,000 | 186,717 | 125,000 | 168,009 | 125,000 | 125,000 | 82,147 | 42,853 | 0.66 |
| **Earnings Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 44105 | Interests and Dividends | 5,500 | - | 6,800 | 15,535 | 6,800 | 6,800 | 19,052 | (12,252) | 2.80 |
| | | 5,500 | - | 6,800 | 15,535 | 6,800 | 6,800 | 19,052 | (12,252) | 2.80 |
| **Miscellaneous Unit** | | | | | | | | | | |
| **Accounts** | **Descriptions** | | | | | | | | | |
| 47540 | Operating Transfers from Reserves | 250,000 | - | 220,000 | - | 110,000 | 217,186 | 217,186 | - | 1.00 |
| | | 250,000 | - | 220,000 | - | 110,000 | 217,186 | 217,186 | - | 1.00 |
| | **REVENUE TOTALS** | **1,984,064** | **1,764,353** | **1,986,899** | **1,818,643** | **1,906,694** | **2,013,880** | **1,983,279** | **30,601** | **0.98** |
| | **YEAR END OPERATING NET** | | **$ (168)** | | **$ 150,011** | | **$ 9,326** | **$ 56,354** | | |

| **AUDITED FUND BALANCE \| JUNE 30th** | | |
|---|---|---|
| Committed | - | 175,000 |
| Assigned \| Contingency | 75,000 | 75,000 |
| Unassigned | 1,394,699 | 1,357,486 |
| | **$ 1,469,699** | **$ 1,607,486** |

# 5d

**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst

**SUBJECT:** **Ratification of an Administrative Approval | "Wilmott-Champagne Boulevard Outside-of-Agency Service Agreement" | Valley Center Municipal Water District (OAS19-08)**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider ratification of an administrative approval by the Executive Officer of an outside-of-agency water service agreement involving the Valley Center Municipal Water District (MWD). The agreement authorizes Valley Center MWD to provide retail domestic water service to an existing unincorporated single-family residence in Bonsall and was approved by the Executive Officer consistent with policies given a documented public health threat involving the failure of the residence's well. Approval has been termed on receipt of a landowner application requesting reorganization to concurrently detach from Vallecitos Water District – which does not have nearby infrastructure – and annex to Valley Center MWD.

## BACKGROUND

### Statute and Policy Direction

Government Code Section 56133 prohibits cities or special districts from providing new or extended services by contracts or agreements 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 or agreement outside of their boundaries

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Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

and within their spheres of 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. The administrative approval requires applicants to provide substantiating documentation from the County Department of Environmental Health (DEH). The policies also require the Executive Officer to inform the Commission of all administrative approvals at the next available meeting.

## Administrative Approval

San Diego LAFCO received a request from an interested landowner (Wilmott) on June 7, 2019 for approval to enter into an outside-of-agency water service agreement with the Valley Center MWD in advance of processing a reorganization. The service agreement involves connection of one single-family residence to the Valley Center MWD water system to remedy a failing well. The subject residence is part of a 1.4 acre unincorporated parcel located at 28616 Champagne Boulevard in Bonsall and within its sphere of influence.[1] Pertinently, the subject parcel is also within the Vallecitos Water District (WD) but located closer to Valley Center MWD's water system. Staff proceeded to coordinate with both special districts and the Executive Officer issued an administrative approval on June 18th.[2] Approval was termed on the landowner filing an application to reorganize the affected territory with detachment from Vallecitos WD and annexation to Valley Center MWD.

## DISCUSSION

This item is for San Diego LAFCO to ratify an earlier administrative approval by the Executive Officer involving an outside-of-agency water service agreement allowing Valley Center MWD to extend retail potable water service to 28616 Champagne Boulevard in Bonsall.[3] 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 involving 28616 Champagne Boulevard conforms to San Diego LAFCO policies and practices to expedite connection of occupied residences to public water systems when documentation substantiates related public health or safety threats exist. The administrative approval followed coordination with DEH attesting the health threat exists as well as with Valley Center MWD verifying the

[1] The County of San Diego Assessor's Office identifies the subject parcel as 172-091-28-00.
[2] In a letter dated April 26, 2019, DEH confirms the property's on-site well is experiencing failure and recommends the property be connected to public water service. Valley Center MWD has an existing and adjacent water line within Champagne Blvd.
[3] The affected territory is within a mailing zip code assigned to Escondido but located within the County of San Diego's Bonsall Community Planning Area.

accessibility and capacity to extend public water service. It also – notably – includes receipt of an application by the landowner to reorganize the affected territory between Vallecitos WD and Valley Center MWD, and in doing so align with the Commission's preference for services to ultimately conform to jurisdictional and sphere of influence boundaries. 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 Valley Center MWD to extend retail water service to 28616 Champagne Boulevard in Bonsall. This recommendation is consistent with Alternative One outlined below and formalizes a relatively modest water service extension with the termed expectation of transitioning into a preferred boundary change by calendar year end.

**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 water service agreement provided as Attachment Three involving the Valley Center MWD.

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 staff,

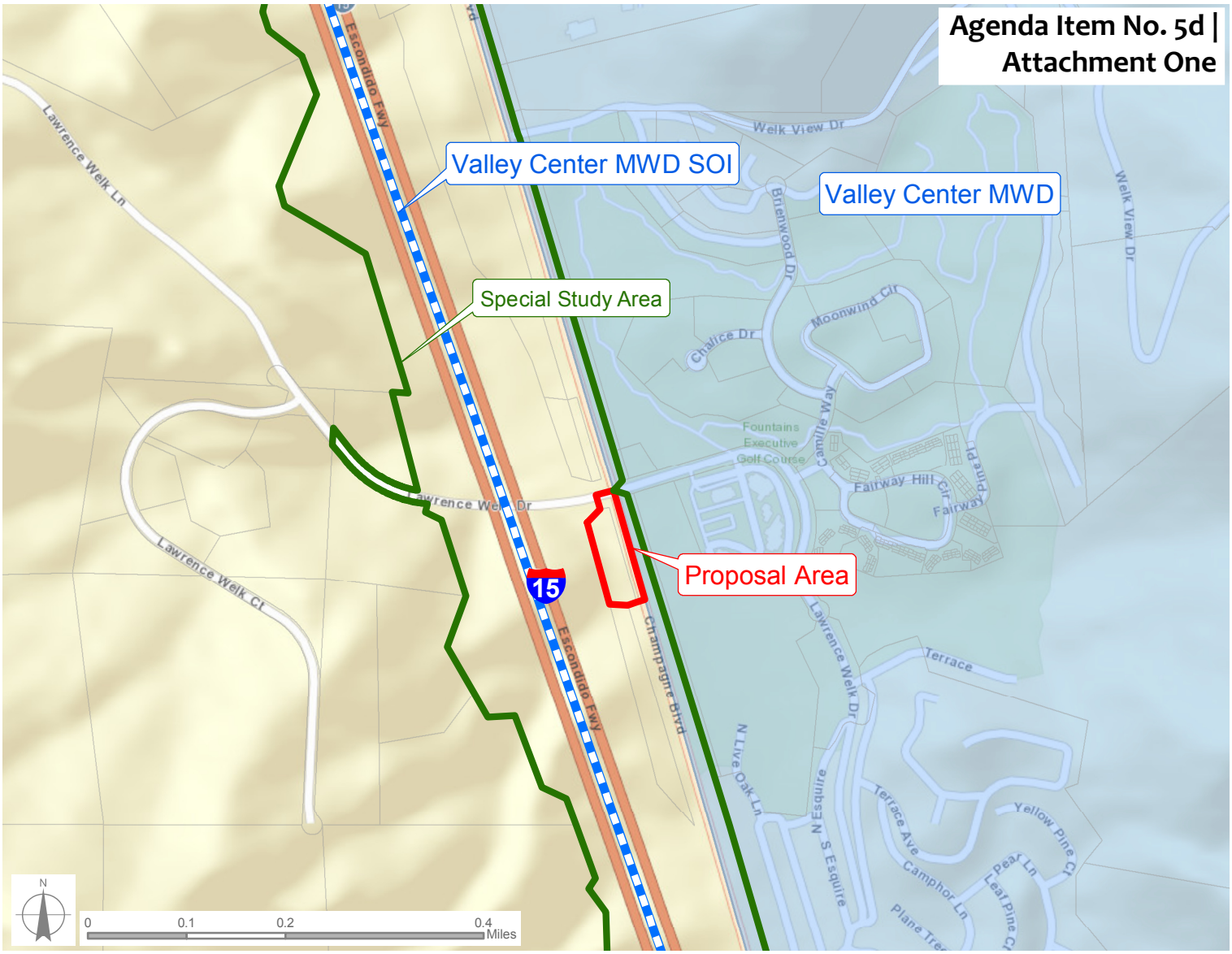


Robert Barry
Chief Policy Analyst

Attachments:

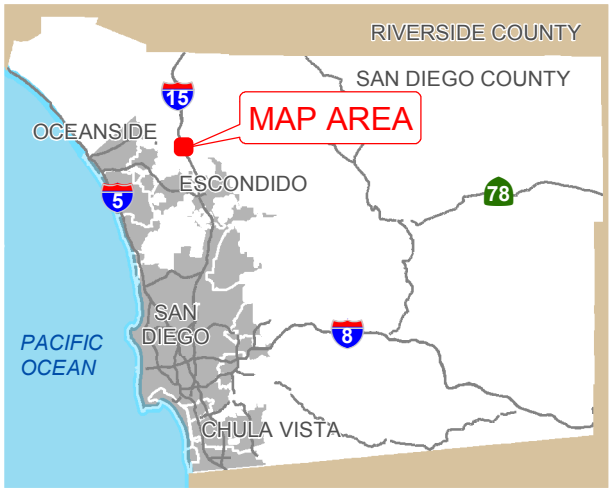
1) Map of the Affected Territory
2) Certificate of Administrative Approval
3) Proposal Materials - Temporary Water Service Agreement

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RO19-08
OAS19-08

PROPOSED "WILMOTT - CHAMPAGNE BLVD REORGANIZATION AND CONTRACTUAL WATER SERVICE AGREEMENT" | ANNEXATION TO VALLEY CENTER MWD WITH CONCURRENT DETACHMENT FROM VALLECITOS WD

SOI = Sphere of Influence

- Proposal Area
- Valley Center MWD
- Valley Center MWD SOI
- Special Study Area

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

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

## CERTIFICATE OF ADMINISTRATIVE APPROVAL OF A CONTRACTUAL WATER SERVICE AGREEMENT

**Valley Center Municipal Water District / Robert Wilmott**
**(LAFCO File No. OAS19-08)**

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 Water Service Agreement is therefore issued contingent on the execution of the Valley Center Municipal Water District's Temporary Water 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 |
|---|---|
| Valley Center Municipal Water District | Water |

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 1.43 acres and includes one unincorporated parcel (APN 172-091-28) developed with one single-family residence with a situs address of 28616 Champagne Boulevard, Escondido, CA 92026. The existing residence utilizes an on-site well for domestic water use that is experiencing failure, and the County Department of Environmental Health (DEH) has recommended the residence be connected to public water service. The property is located within the sphere of influence of the Valley Center Municipal Water District (MWD) and is subject to a pending reorganization ("Wilmott – Champagne Boulevard Reorganization," Ref No. RO19-08) involving detachment from the Vallecitos Water District with concurrent annexation to Valley Center MWD.

Administrative approval to provide water service through a contractual service agreement has been granted because the County of San Diego Department of Environmental Health has documented in a letter dated April 26, 2019, that the property's existing well is no longer providing adequate supply for domestic uses and recommended an expedited connection to the Valley Center MWD's potable water system. Accordingly, the request by Valley Center MWD for approval of a temporary contractual water service agreement

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San Diego, California 92123
T 858.614.7755 F 858.614.7766
www.sdlafco.org

Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

in advance of the pending annexation is warranted to resolve the emergency threat to the health and safety of the residents.

Keene Simonds, Executive Officer

Date: June 18, 2019

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

X
13P



DOC# 2019-0269021

Jul 08, 2019 01:22 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES $0.00 (SB2 Atkins: $0.00)
PAGES: 13

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

Valley Center Municipal Water District
29300 Valley Center Road
Valley Center, CA 92082

EXEMPT FROM FEES PURSUANT TO GOVERNMENT CODE § 27383, 6103

APN: 172-091-28

Space above this line for Recorder's use.

## CONTRACTUAL WATER SERVICE AGREEMENT

This Contractual Water Service Agreement (this "**Agreement**") is entered into by and among the Valley Center Municipal Water District, a California municipal water district ("**District**") and Robert C. Wilmott, an individual ("**Owner**"). District and Owner may each be individually referred to herein as a "**Party**" and collectively as the "**Parties.**"

## RECITALS

A. Owner is the fee title holder of a parcel located in the County of San Diego ("**County**") commonly referred to as 28616 Champagne Boulevard, Escondido, California and also identified as Assessor's Parcel Number 172-091-28 (the "**Property**"). The Property is more particularly described in Exhibit A attached hereto and incorporated herein.

B. The existing residence on the Property has previously received water service from a private well located on the Property. However, the private well is no longer providing adequate water supply and the County's Department of Environmental Health has indicated that the lack of potable water to the residence is a health and safety concern.

C. Due to the lack of adequate water supply from the private well, the Owner wishes to receive potable water service by connecting the Property a nearby public water system.

D. The Property is currently located within the boundaries of Vallecitos Water District ("**VWD**"), but VWD does not currently have water service facilities available near the Property. The District, however, already has water service facilities available on Champagne Boulevard adjacent to the Property, and can provide adequate water service to the Property.

E. In light of the foregoing, Owner would like the Property included in the District's sphere of influence and annexed into its boundaries, and VWD has already approved the proposed detachment of the Property from its boundaries.

F. Pending the annexation of the Property to the District, Owner has also requested to receive temporary water service from the District pursuant to California Government Code Section 56133, which allows the San Diego Local Agency Formation Commission ("**SDLAFCO**") to authorize the District to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or

safety of the public or residents of the affected territory. Owner has requested such approval by the District and SDLAFCO in order to address the existing and impending threat to public health and safety caused by the failure of the existing private well. This threat will be eliminated if the Property is authorized to connect to the District's water distribution system pursuant to the terms and conditions of this Agreement.

G. The District declares that the provision of water service by the District to the Property pursuant to this Agreement will not adversely impact water service to other District customers or result in a significant loss of revenue to the District.

H. The District will submit this Agreement to SDLAFCO for approval.

## AGREEMENT

**NOW, THEREFORE,** in consideration of the above recitals and of the mutual covenants as well as for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

## 1. WATER SERVICE AND CONNECTION

1.1. Provision of Water Service. The District hereby agrees to furnish, and Owner hereby agrees to accept, water service to the Property ("**Service**") in accordance with the terms and conditions in this Agreement, and subject to all applicable federal, state, and local statutes and regulations and the District's ordinances, rules, regulations, orders, and Administrative Code, as may be amended from time to time ("**Rules and Regulations**").

1.2. Connection to District Water System. The Property may be connected to the District's water distribution system under the direction of the District Engineer and in accordance with all applicable federal, state, and local statutes and regulations, the terms and conditions of this Agreement, and the District's Rules and Regulations. The connection shall be made at such place on the District's water distribution system and in such manner as the District Engineer shall specify. The Owner shall be responsible for all associated fees and costs as further provided in Section 2.

1.3. Service Limited to Existing Residence. The Parties agree that Service under this Agreement is exclusively limited to water service to the existing residence located on the Property. Owner understands and agrees that no new structures or subdivisions of the Property shall receive water service from the District under this Agreement. During the term of this Agreement, any water service to structures on the Property other than the existing residence shall require SDLAFCO review and approval prior to the addition/extension of any such service.

## 2. PAYMENT FOR CONNECTION AND SERVICES

Owner hereby agrees to and shall timely pay to the District any monthly or yearly charges for the Service, any connection fees and costs, plan check fees, inspection fees, capacity charges, and any other applicable one-time or recurring fees and charges in effect and paid by the owners of similarly situated real property at the rate(s) established therefor by the District (subject to any adjustments provided for by the District from time to time), including any applicable penalties or interest lawfully imposed by the District ("**Fees and Charges**"). The District reserves the right to collect the Fees and Charges (or any delinquencies thereof) in any lawful manner, including, but not limited to, having them collected on the property tax bill for the

Property, if applicable. Owner shall also pay all fees and costs incurred by the District in preparing and processing this Agreement, including, but not limited to, any SDLAFCO fees.

## 3. CONDITIONS AND COVENANTS

3.1. Compliance with Applicable Law. Owner will comply with all applicable laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the State of California, the County, the District, or any other political subdivision with jurisdiction over the Property in the performance of this Agreement..

3.2. Indemnification.

3.2.1. Indemnification of District. Owner covenants to indemnify, defend and hold the District and its officers, employees, contractors and agents ("**Indemnitees**") harmless from and against any and all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) (collectively, "**Claims**") arising from or as a result of Owner's failure to comply with any provision of this Agreement, or occasioned wholly or in part by any act or omission of Owner or Owner's officers, employees, contractors and agents arising out of or in connection with this Agreement or the design, construction or installation of the Service facilities. In case the District shall, without fault, be made a party to any litigation commenced by or against Owner, or if the District shall, in its sole and reasonable discretion, determine that it must intervene in such litigation to protect its interest hereunder, including, without limitation, the incurring of costs, expenses, and attorneys' fees, then Owner shall protect and hold the District harmless by attorneys satisfactory to the District and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by the District in connection with such litigation.

3.2.2. District's Right to Engage Attorneys. The District shall have the right to engage its own attorneys in connection with any of the provisions of this section or any other provision of this Agreement, including, without limitation, any defense of the District or intervention by the District, notwithstanding any contrary provisions of the laws or court decisions of the state.

3.2.3. Survival. Owner's obligations under this Section 3.2 (Indemnification) shall survive the expiration or termination of this Agreement.

## 4. ANNEXATION PROCEEDINGS

4.1. The Owner is seeking annexation of the Property into the boundaries of the District; Owner intends to work with the District and SDLAFCO to facilitate the annexation of the Property to the District within one (1) year of the Effective Date. Notwithstanding, the Owner acknowledges and agrees that, upon connection of the Property to the District's water distribution system, the Property shall become subject to any and all Rules and Regulations, fees, taxes and assessments applicable to the Property whether or not the property is annexed into the District.

4.2. Notwithstanding the above, or any other provision of this Agreement, the District shall not have any obligation to annex the Property to the District, or to provide, prior to annexation, any other service to the Property except as expressly set forth in this Agreement.

## 5. SDLAFCO APPROVAL; TERM; TERMINATION

5.1. SDLAFCO Approval. Because this Agreement is an out-of-area service agreement pursuant to California Government Code Section 56133, this Agreement shall be submitted for approval by SDLAFCO. The effective date of this Agreement is the date on which SDLAFCO approves this Agreement ("**Effective Date**").

5.2. Term; Termination. The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until: (i) the Property is annexed to the District; (ii) the Agreement is terminated by mutual written agreement of the Parties; (iii) the Agreement is terminated by either Party after providing at least ninety (90) days' written notice of intention to terminate to the other Party; or (iv) as otherwise specified herein. If this Agreement is terminated by either or both of the Parties, Owner shall be responsible for all costs incurred by the District, if any, to disconnect the Property from the District's water distribution system.

## 6. DEFAULT; REMEDIES.

Owner will be in default under this Agreement if Owner fails to comply with any obligation hereunder, has been given a written notice specifying the failure, and: (a) with respect to a default involving the payment of money, fails to cure it within the period of ten (10) days, or (b) with respect to any other type of default, (i) fails to cure it within the period of thirty (30) days, or (ii) if the default cannot be cured within the time specified above in (i), commences to cure the default within such period of time, but thereafter does not diligently proceed to complete the curing of the default. In addition to any other available rights in law or equity, in the event Owner defaults under this Agreement, the District shall have the right to seek damages, terminate this Agreement, or enjoin such violation or threatened violation in a court of competent jurisdiction.

## 7. RECORDATION

This Agreement shall be recorded in the Official Records of the County of San Diego, State of California at Owner's sole cost.

## 8. MISCELLANEOUS PROVISIONS

8.1. Recitals. The above Recitals are true and correct and fully incorporated in this Agreement.

8.2. Scope of Agreement. Nothing contained in this Agreement shall be construed as representing the establishment of any precedent or the formation of any policy by the District to supply water service or any other service in the future to any out-of-area property on the terms and conditions contained herein or on any terms and conditions whatsoever.

8.3. No Third Party Beneficiaries. This Agreement is intended to benefit only the parties hereto and no other person or entity has or shall acquire any rights hereunder. This Agreement does not create any third party beneficiary rights.

8.4. Binding Effect; Assignment. All of the terms, conditions and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No assignment of this Agreement shall be made without the prior

written consent of the parties to the Agreement, which consent may not be unreasonably withheld.

8.5. Covenants Running with the Land. All of the benefits and obligations described herein, including any and all covenants, conditions, and restrictions set forth in this Agreement shall be binding on the Parties and their heirs, successors, grantees, transferees and permissible assigns and shall run with the land comprising the Property.

8.6. Performance. Whenever performance is required of any party hereunder, that party shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing, or other labor disputes, or damage to work in progress by reason of fire or other casualty or cause beyond the reasonable control of a party (acts by the performing party causing the situation to be beyond reasonable control excepted), then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused.

8.7. Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person or circumstance, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

8.8. Notice.

8.8.1. Form of Notice. Any notice to any party shall be in writing and given by delivering the same to such party in person or by sending the same by certified mail, return receipt requested, with postage prepaid to the party's mailing address. The respective mailing addresses of the parties thereto are, until changed as hereinafter provided, the following:

| | |
|---|---|
| To the District: | Valley Center Municipal Water District<br>29300 Valley Center Road<br>Valley Center, CA 92082<br>Attn: General Manager |
| To Owner: | Robert Wilmott<br>28616 Champagne Boulevard<br>Escondido, CA 92026 |

8.8.2. Change of Address. Any party may change its mailing address at any time by giving written notice of such change to the other parties in the manner provided herein at least ten days prior to the date such change is effective.

8.8.3. Effective Date of Notice. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

8.9. Entire Agreement. This writing constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all oral or written representations or written agreements which may have been entered into between the parties. This Agreement may be cancelled, changed, modified or amended in whole or in part only by a written and recorded instrument executed by the Parties (or their respective successors and assigns).

8.10. Time is of the Essence. Time is of the essence of this Agreement and each and every provision hereof.

8.11. Governing Law; Venue. This Agreement shall be governed by the laws of the State of California. Any legal action concerning or arising out of this Agreement shall be filed in a court of the State of California having jurisdiction of the subject matter, and venue shall be in the County of San Diego, California.

8.12. Section Headings. All section headings and subheadings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.

8.13. Attorney Fees. The prevailing party in any action or proceeding to enforce or interpret this Agreement or otherwise arising out of or in connection with the subject matter hereof (including, but not limited to, any suit, arbitration, entry of judgment, post-judgment motion or enforcement, appeal, bankruptcy litigation, attachment, or levy) shall be entitled to recover its costs and expenses, including, but not limited to, reasonable attorneys', experts', and consultants' fees and costs.

8.14. Non-Waiver. No waiver by any Party of any default in performance on the part of the another Party, or of any breach or series of breaches of the terms, covenants, or conditions of this Agreement, will constitute a waiver of any subsequent breach or a waiver of any term, covenant, or condition.

8.15. Counterparts. This Agreement may be executed in one or more counterparts, each of which counterparts shall, for all purposes, be deemed an original and all of which counterparts, when taken together, shall constitute one and the same instrument.

SIGNATURES AND APPROVAL ON THE FOLLOWING PAGES

**IN WITNESS WHEREOF**, this Contractual Water Service Agreement by and between the Valley Center Municipal Water District and Robert Wilmott has been executed and delivered by the District and Owner as of June 19, 2019.

**DISTRICT**

VALLEY CENTER MUNICIPAL WATER DISTRICT,
a California Municipal Water District

Date: 6/19/2019

By: _____
Name: Gary T. Arant
Its: General Manager

Approved as to Form:

By: _____
Name: Paula C.P. de Sousa Mills
Its: General Counsel

**OWNER**

ROBERT C. WILMOTT, an individual

Date: 6/19/2019

By: Robert C. Wilmott
Name: Robert C. Wilmott

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 )
COUNTY OF San Diego )

On June 19, 2019 before me Christine M. Johnson, Notary Public, personally appeared Gary T. Arant, 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.

CHRISTINE M. JOHNSON
Notary Public - California
San Diego County
Commission # 2274745
My Comm. Expires Feb 5, 2023

Signature: Christine M. Johnson (seal)

60033.00001\32094575.1

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT** **CIVIL CODE § 1189**

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 )
County of San Diego )

On June 19, 2019 before me, J. Lovelady, Notary Public,
*Date* *Here Insert Name and Title of the Officer*

personally appeared Robert C. Wilmott
*Name(s) of Signer(s)*

,

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.

J. LOVELADY
Notary Public - California
San Diego County
Commission # 2172296
My Comm. Expires Nov 18, 2020

Signature _____
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

**Capacity(ies) Claimed by Signer(s)**

| | |
|---|---|
| Signer's Name: _____ | Signer's Name: _____ |
| ☐ Corporate Officer — Title(s): _____ | ☐ Corporate Officer — Title(s): _____ |
| ☐ Partner — ☐ Limited ☐ General | ☐ Partner — ☐ Limited ☐ General |
| ☐ Individual ☐ Attorney in Fact | ☐ Individual ☐ Attorney in Fact |
| ☐ Trustee ☐ Guardian or Conservator | ☐ Trustee ☐ Guardian or Conservator |
| ☐ Other: _____ | ☐ Other: _____ |
| Signer Is Representing: _____ | Signer Is Representing: _____ |

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**IN WITNESS WHEREOF**, this Contractual Water Service Agreement by and between the Valley Center Municipal Water District and Robert Wilmott has been executed and delivered by the District and Owner as of June 19, 2019.

**DISTRICT**

VALLEY CENTER MUNICIPAL WATER DISTRICT,
a California Municipal Water District

Date: 6/19/2019

By: _____
Name: Gary T. Arant
Its: General Manager

Approved as to Form:

By: _____
Name: Paula C.P. de Sousa Mills
Its: General Counsel

**OWNER**

ROBERT C. WILMOTT, an individual

Date: 6/19/2019

By: _____
Name: Robert C. Wilmott

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 )
COUNTY OF SAN DIEGO )

On June 19, 2019 before me, Kathleen K. McCracken, Notary Public, personally appeared Paula C.P. de Sousa Mills, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person 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.




Signature: Kathleen K. McCracken (seal)

**EXHIBIT A:**
**LEGAL DESCRIPTION OF THE PROPERTY**

**PARCEL 1:**

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 12; THENCE ALONG THE EAST AND WEST CENTER LINE OF SAID SECTION 12; NORTH 87 DEGREES 38 MINUTES 48 SECONDS WEST 1,708.30 FEET TO AN INTERSECTION WITH THE WESTERLY LINE OF THE STATE HIGHWAY ACCORDING TO THE DEPARTMENT OF PUBLIC WORKS SURVEY BETWEEN ESCONDIDO AND MOOSA CREEK ROAD, XI-SD-77-F APRIL 13, 1949 IN BOOK 3170, PAGE 88 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID WESTERLY LINE OF HIGHWAY, SOUTH 16 DEGREES 48 MINUTES 30 SECONDS EAST 285.55 FEET TO THE TRUE POINT OF BEGINNING; THENCE PARALLEL WITH SAID EAST AND WEST CENTER LINE OF SAID SECTION 12, NORTH 87 DEGREES 38 MINUTES 48 SECONDS WEST 329.0 FEET; THENCE SOUTH 2 DEGREES 21 MINUTES 12 SECONDS WEST 20.00 FEET; THENCE NORTH 87 DEGREES 38 MINUTES 48 SECONDS WEST 20.00 FEET; THENCE NORTH 2 DEGREES 21 MINUTES 12 SECONDS EAST 20.00 FEET TO THE WESTERLY PROLONGATION OF THE AFORESAID PARALLEL LINE; THENCE NORTH 87 DEGREES 38 MINUTES 48 SECONDS WEST PARALLEL WITH SAID EAST AND WEST CENTER LINE OF SAID SECTION 12, A DISTANCE OF 1,237.47 FEET TO THE WESTERLY LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTH 2 DEGREES 47 MINUTES 55 SECONDS WEST ALONG SAID WESTERLY LINE 1,062.68 FEET; THENCE SOUTH 87 DEGREES 38 MINUTES 48 SECONDS EAST 1,635.00 FEET TO THE WESTERLY LINE OF SAID STATE HIGHWAY; THENCE NORTH 16 DEGREES 48 MINUTES 30 SECONDS WEST ALONG SAID WESTERLY LINE 1,125.01 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM: THAT PORTION OF HEREIN DESCRIBED LAND CONVEYED TO THE STATE OF CALIFORNIA, BY IRVING B. JONES AND VIVIAN L. JONES, HUSBAND AND WIFE, IN DEED RECORDED MAY 7, 1974.

ALSO EXCEPTING THEREFROM: ALL THAT PORTION OF HEREIN DESCRIBE LAND LYING WESTERLY OF PARCEL CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED MAY 7, 1974 AS FILE NO. 74-117790 OF OFFICIAL RECORDS IN OFFICE OF RECORDER, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA;

ALSO EXCEPTING THEREFROM: THAT PORTION LYING NORTHERLY OF COURSE NUMBERED 19 OF THE PARCEL CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED MAY 7, 1974 AS FILE NO. 74-117790 OF OFFICIAL RECORDS.

**PARCEL 2:**

THAT PORTION OF CHAMPAGNE BOULEVARD, FORMERLY XI-SD-77F (US 395) SOUTHWESTERLY OF A LINE THAT IS 56.00 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE CENTERLINE OF CHAMPAGNE BOULEVARD AS SAID CENTERLINE SHOWN ON RECORD OF SURVEY MAP NO. 7118 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA AND LYING SOUTHEASTERLY OF A LINE AT RIGHT ANGLES TO SAID CENTERLINE FROM THE SOUTHEASTERLY CORNER OF SAID 35.10 ACRE PARCEL OF LAND.

EXCEPTING THEREFROM: THAT PORTION LYING NORTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING IN THE SOUTHEASTERLY CORNER OF RECORD OF SURVEY MAP NO. 8767, FILED IN THE OFFICE OF SAID COUNTY RECORDER; THENCE ALONG THE SOUTHEASTERLY PROLONGATION OF THE EASTERLY LINE OF SAID RECORD OF SURVEY MAP NO. 8767, A DISTANCE OF 140.06 FEET TO THE POINT OF BEGINNING OF A LINE LYING AT RIGHT ANGLES TO SAID CENTERLINE, THENCE NORTHEASTERLY ALONG SAID LINE TO A POINT LYING 56.00 FEET SOUTHWESTERLY FROM SAID CENTERLINE.

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**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT:** **Amendments to Commission Rules | Reimbursements and Executive Officer Compensation Committee**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approving non-substantive amendments to its adopted rules. The first and focal set of amendments involves establishing stand-alone reimbursement policies that largely scale to existing County of San Diego procedures. The second set of amendments involves prescribing the composition of the Executive Officer Compensation Committee to parallel the membership of the Personnel Committee with discretion for the Chair to add a fourth member as needed. Staff recommends approval of the amendments with immediate effective dates.

## BACKGROUND

### Rules on Reimbursements

San Diego LAFCO Rule No. 2-10 specifies the Commission shall follow the reimbursement policies of the County of San Diego with discretion to the Chair and Executive Officer to approve exceptions as needed. These reimbursement provisions are made by reference and included as part of an expanded section of the rules that also addresses per diems. The reimbursement provisions were established in March 1991 with no subsequent amendments.

**Administration**
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Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

## Rules on Executive Officer Compensation Committee

San Diego LAFCO Rule No. 6-20 outlines the role of the Executive Officer Compensation Committee and its principal task to preform annual reviews and forward related recommendations to the Commission. These policies specify the Executive Officer Compensation Committee's composition shall be determined by the Chair to include three to four appointed members with broad representation across all membership categories. These provisions were established in April 1975 with no subsequent amendments.

## DISCUSSION

This item is for San Diego LAFCO to consider approving two distinct sets of amendments to the adopted rules and separately involve (a) reimbursements and the (b) Executive Officer Compensation Committee. The proposed amendments are detailed below and are being presented to the Commission to approve with immediate effective dates.

## Amendments to Rule No. 2-10 | Establishing Stand-Alone Reimbursement Policies

Amendments are proposed to Rule No. 2-10 to separate the existing policies involving per diems and reimbursements with the latter provisions forwarded into Rule No. 2-11.[1] The amendments separately transition the reimbursement policies to become stand-alone provisions of San Diego LAFCO and no longer dependent through cross-reference to the County of San Diego. The amendments – nonetheless – continue to follow most of the County's standards for reimbursements, but at a scale to LAFCO's needs. Amendments also draw on a review of reimbursement procedures of other and similarly sized local agencies. Central provisions reflected in the amendments follow and are shown in Attachment One.

- The Executive Officer approves reimbursements for Commission; the Chair and Vice Chair approve Executive Officer reimbursements.

- Expenses for transportation will be reimbursed at actual costs. Expenses for lodging will be reimbursed at either the group rate or at the available government rate. Expenses for meals and incidentals should conform to local prevailing costs with discretion to the Executive Officer to consider waivers. There will be no reimbursements for alcohol beverages of any kind.

- Commission and staff will be reimbursed for private automobile usage at the current mileage rate used by the Internal Revenue Service plus actuals for tolls and parking. The Executive Officer will only be reimbursed for mileage outside San Diego County as an adjustment for receiving a monthly automobile allowance.

[1] San Diego LAFCO Rule No. 2-11 currently addresses electronic tablet usage and as part of the proposed amendments would be forwarded and reset as Rule No. 2-12, which is currently unassigned.

## Amendments to Rule No. 6-20 | Prescribing the Executive Officer Compensation Committee

Amendments are proposed to Rule No. 6-20 to prescribe the composition of the Executive Officer Compensation Committee to parallel the Personnel Committee and include the Chair, Vice Chair, and Immediate Past Chair.[2] A fourth member may also be appointed by the Chair as needed to provide additional representation among Commission categories. The amendments serve to extend the automation of the appointment process currently applied to the Personnel Committee and similarly extend it to the Executive Officer Compensation Committee and synch related responsibilities and tasks. The proposed amendments are shown in Attachment Two.

### ANALYSIS

The proposed amendments to Rule Nos. 2-10 and 6-20 collectively serve to streamline existing policy provisions at San Diego LAFCO. The proposed amendments are also timed in response to the arrival of new Commissioners and staff and the associated interests in clarifying reimbursement procedures as well as readying for more regular annual reviews of the Executive Officer. Amendments to the reimbursement policies separately aide in the Commission's independence as a stand-alone governmental entity while scaling to the vetted standards of other agencies, including the County of San Diego. Amendments to the Executive Officer Compensation Committee also serve to harmonize tasks with the Personnel Committee through common membership.

### RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed amendments to LAFCO Rule Nos. 2-10 and 6-20 as described above. This recommendation is consistent with Alternative One outlined in the proceeding section.

### ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Approve the proposed amendments to Rule Nos. 2-10 and 6-20 as shown in Attachments One and Two with any desired changes.

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

Alternative Three
Take no action.

[2] The Chair is authorized to appoint a replacement for the Immediate Past Chair should he or she no longer be on the Commission. To this end, the Chair has appointed Harry Mathis to the Personnel Committee in FY2019 in absence of former Chair Sam Abed.

## 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.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1) Proposed Amendments to LAFCO Rule No. 2-10 with Track Changes
2) Proposed Amendments to LAFCO Rule No. 6-20 with Track Changes

**2.10 PER DIEMS ~~AND REIMBURSEMENTS~~ –**

Pursuant to Government Code Section 56334, which permits LAFCOs to authorize payment of per diems to commissioners for attending meetings and in performing the duties of their office, the Commission has established a per diem rate of $200. Per diems shall be provided to Commissioners (regulars and alternates) for each day in attendance at ~~commission~~ regular and special meetings. Per diems shall also be provided for each day in attendance at standing or ad hoc committee meetings as well as official meetings, conferences, and trainings organized by the California Association of LAFCOs or the Southern Region of LAFCOs. No Commissioner shall receive more than five per diems per month. ~~Commissioners shall also be reimbursed for reasonable and necessary expenses incurred in attending meetings and in performing official LAFCO duties.~~ All requested per diems shall be listed on the LAFCO reimbursement form no later than 30 days after the event.

**2.11 REIMBURSEMENTS**

Pursuant to Government Code Section 56380, the Commission shall make its own provisions for the usual and necessary operating expenses incurred by ~~the Local Agency Formation Commission~~LAFCO. This includes – and as needed – providing reimbursements for Commissioners and staff. ~~To facilitate compatibility between the Commission and County reimbursement practices, San Diego LAFCO will adhere to the following rules:~~

~~1. The San Diego Local Agency Formation Commission adopts the County's guidelines for out-of-county/in-county business and expense reimbursement;~~

~~2. Authorizes the Executive Officer or the Commission Chair to approve necessary exceptions to the normal maximum rates and types of expense claims allowed by the County; and~~

~~3. On a quarterly basis, the Executive Officer will notify the Commission of any exceptions authorized under Item 2 above that significantly depart from County guidelines.~~

1. The following general provisions apply to reimbursement of Commission expenses:

   (a) Commission members (regulars and alternates) may claim reimbursements for reasonable and necessary expenses incurred in performing the duties of their office.
   (b) The Executive Officer is responsible for reviewing and approving requests for Commission reimbursements.

2. The following general provisions apply to reimbursement of staff expenses:

   (a) Staff shall be reimbursed for all reasonable and necessary expenses in connection with conducting LAFCO business.
   (b) The Executive Officer is responsible for reviewing and approving requests for staff reimbursements other than for himself or herself.
   (c) The Chair or Vice Chair are responsible for reviewing and approving requests for Executive Officer reimbursements.

(d) For purposes of this section, Commission Counsel shall be considered staff and subject to the reimbursement provisions.

3. The following procedures apply to reimbursements involving Commissioners and staff:

(a) Expense reimbursement requests should be submitted as soon as possible, although flexibility is permitted for purposes of consolidating multiple expenses, but no later than 45 days after incurring the expense.
(b) Expense claims for costs incurred in one fiscal year should be – whenever practical – submitted for reimbursement during the same fiscal year.
(c) Expense claims shall be submitted using the standard LAFCO reimbursement form.
(d) Applicable receipts shall be provided and attached to the reimbursement form. If receipts are not available, the requester shall succinctly summarize in writing the amount and purpose of the expense and attach to the reimbursement form.
(e) The following provisions specific to transportation reimbursements apply:
    (i) Transportation requiring outside carrier services – including airlines, rails, shuttles, buses, vehicle rentals, and rideshares – shall be reimbursed equal to actual costs.
    (ii) Transportation requiring private vehicle usage shall be reimbursed using the current mileage rate of the Internal Revenue Service (IRS) plus actuals for tolls and parking. Staff reimbursement for private vehicle usage shall not apply to normal workday travel to and from the LAFCO office. The Executive Officer shall only be eligible for private vehicle mileage reimbursement for travel outside San Diego County if he or she is receiving an automobile allowance.
(f) The following provisions specific to lodging reimbursements apply:
    (i) Lodging reimbursements apply to overnight travel outside San Diego, Imperial, Orange, and Riverside Counties that requires attendance and/or travel before 7:00 A.M. for night-before accommodations and after 6:00 P.M. for night-of accommodations unless waived by the Executive Officer.
    (ii) Pre-authorized lodging shall be reimbursed equal to actual costs so long as it does not exceed the maximum group rate published by the activity sponsor (i.e., conference organizer) and available at the time of booking. If a group rate is not available and/or applicable, reimbursement shall be booked at the governmental rate as far in advance as feasible.
(g) The following provisions specific to meals and incidental reimbursements apply:
    (i) Meal expenses should be reasonable and moderate, taking into account community standards and the prevailing restaurant costs of the area.
    (ii) Where the cost of a meal or meals is included as part of a registration charge or fee, there shall be no per diem meal reimbursement for the applicable meal period covered by such registration.
    (iii) Commission and staff may request reimbursement for expenses paid in covering meals and incidentals of those in their company during an authorized function and/or duty that is a person in the service of LAFCO or a person donating service to LAFCO.
    (iv) No reimbursements shall be made for alcoholic beverages of any kind.
(h) No prepayments shall be provided to Commission or staff for expected expenses incurred in performing work duties; all related costs shall be provided in the form of approved reimbursements unless otherwise provided under contract.

**LAFCO RULE NO. 6-20**

6. Executive Officer Compensation Committee

Wherever this plan refers to the Executive Officer Compensation Committee, the following shall apply:

(a) The Executive Officer Compensation Committee shall consist of the three members of the Personnel Committee as provided under Rule No. 1.11 with the option of the Chair to add a fourth member at his or her discretion~~at least three but no more than four members of the Commission appointed by the Chairperson, representing the various membership categories of the Commission~~.

(b) The Executive Officer Compensation Committee shall periodically review and rate the performance of the Executive Officer, and make recommendations to the full Commission for any adjustments to the Executive Officer's compensation.

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**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Ruth Arellano, Executive Assistant

**SUBJECT:** **Service Commendations |**
**Past Members of the Special Districts Advisory Committee**

---

## SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will recognize the service contributions for two past members – Erin Lump and John Pastore – of the Special Districts Advisory Committee. This recognition follows the two members' recent departure from the Committee and involves the adoption of draft commendation resolutions. Staff recommends adoption of the draft commendation resolutions for presentation to the two members off dais at a future Committee meeting.

## 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 current 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 allow its Chair to appoint members to fill unexpired terms as needed.) The Committee is tasked with providing feedback – including recommendations – on germane topics to assist LAFCO in fulfilling its regulatory and planning functions and do so

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Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

without compensation. The Committee meets quarterly with its current roster provided as Attachment One.

**DISCUSSION**

This item is for San Diego LAFCO to take action to formally recognize the service contributions of two past members of the Committee upon their recent departures. The two past members are Erin Lump with Rincon del Diablo Municipal Water District and John Pastore with the Rancho Santa Fe Community Services District. Recognition includes adopting the attached draft commendation resolutions for presentation off dais.

**ANALYSIS**

Both past members – Erin Lump and John Pastore – served with distinction and regularly contributed to advancing the value of the Committee in assisting San Diego LAFCO in making informed decisions. Both members merit recognition with special appreciation extended to John Pastore given his 34 years of service make him one of the longest tenured members in the Committee's history. Adopting commendation resolutions serve to officially memorialize the recognition as part of LAFCO's official records.

**RECOMMENDATION**

It is recommended San Diego LAFCO formally recognize the dedicated service of Erin Lump and John Pastore on the Committee and adopt resolutions of commendation. This recommendation is consistent with Alternative One identified in the proceeding section.

**ALTERNATIVES FOR ACTION**

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

Alternative One (recommended):
Adopt the attached draft commendation resolutions with any desired changes for the following persons:

- Erin Lump
- John Pastore

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

Alternative Three
Take no action.

## 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.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1) Current Committee Roster
2) Draft Resolutions of Commendation
   - Erin Lump
   - John Pastore

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# LAFCO SPECIAL DISTRICTS ADVISORY COMMITTEE
# ROSTER

***2019 Officers | Chair: Kimberly Thorner | Vice Chair: Julie Nygaard***

GARY ARANT (10/20)
Valley Center MWD
29300 Valley Center Road
Valley Center, CA 92082
(760) 749-4500

JACK BEBEE (10/19)
Fallbrook PUD
PO Box 2290
Fallbrook, CA 92089-2290
(760) 728-1125 Ext. 1105

BILL HAYNOR (10/20)
Whispering Palms CSD
605 Third Street
Encinitas, CA 92024
(760) 942-4147

TOM KENNEDY (10/19)
Rainbow MWD
3707 Old Highway 395
Fallbrook, CA 92028-9372
(760) 728-1178

GREG THOMAS (10/19)
Rincon del Diablo MWD
1920 North Iris Lane
Escondido, CA 92026
(760) 745-5522

LARRY CONVERSE (10/20)
Ramona MWD
105 Earlham Street
Ramona, CA 92065
(760) 789-1330

JULIE NYGAARD (10/20)
Tri–City HCD
4002 Vista Way
Oceanside, CA 92056
(760) 940-3347

FRED COX (10/19)
Rancho Santa Fe FPD
P.O. Box 410
Rancho Santa Fe, CA 92067
(858) 756-5971

TOM POCKLINGTON (10/19)
Bonita–Sunnyside FPD
4900 Bonita Road
Bonita, CA 91902
(619) 479-2393

MARK ROBAK (10/19)
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978-2096
(619) 670-2280

AUGIE SCALZITTI (10/20)
Padre Dam MWD
9300 Fanita Parkway
Santee, CA 92071
(619) 448-3111

JOEL SCALZITTI (10/20)
Helix Water District
7811 University Avenue
La Mesa, CA 91941
(619) 667-6205

SHERYL LANDRUM (10/20)
RCD of Greater San Diego County
11769 Waterhill Road
Lakeside, CA 92040
(619) 562-0096

ROBERT THOMAS (10/19)
Pomerado Cemetery District
14361 Tierra Bonita Road
Poway, CA 92064
(858) 748-5760

HECTOR MARTINEZ (10/20)
South Bay Irrigation District
505 Garrett Avenue
Chula Vista, CA 91911
(619) 427-0868

KIMBERLY THORNER, ESQ (10/19)
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024
(760) 753-6466

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**RESOLUTION NO.**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**
**COMMENDING DISTINGUISHED SERVICE ON THE SPECIAL DISTRICTS ADVISORY COMMITTEE**

**ERIN LUMP**
**RINCON del DIABLO MUNICIPAL WATER DISTRICT**

**WHEREAS,** the San Diego County Local Agency Formation Commission (LAFCO) established the Special Districts Advisory Committee ("Committee") in 1971; and

**WHEREAS,** the Committee consists of 16 members drawn from the independent special districts in San Diego County and elected by their peers to four-year terms; and

**WHEREAS,** the Committee is tasked with providing feedback and recommendations on germane topics to assist LAFCO in fulfilling its regulatory and planning duties; and

**WHEREAS,** Erin Lump served on the Committee between 2016 and 2019 as a Board of Director with Rincon del Diablo Municipal Water District and immediately prior to her election to San Diego LAFCO; and

**WHEREAS**, Erin Lump became one of the youngest members in the history of the Committee and separately earned the respect and gratitude of her colleagues and LAFCO staff with her constructive approach in carrying out the business of the Committee;

**WHEREAS**, San Diego LAFCO wishes Erin Lump continued happiness and success now as a distinguished alumnus of the Committee.

**NOW, THEREFORE, BE IT RESOLVED,** the members of San Diego LAFCO, individually and collectively, convey their appreciation for the service rendered by Erin Lump to the Committee and acknowledge and commend the value her service has added to the Commission and to the people of San Diego County.

The foregoing resolution was passed and adopted by San Diego LAFCO at a public meeting held on August 5, 2019.

| | |
|---|---|
| Jo MacKenzie | Dianne Jacob |
| Chair | Vice Chair |

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**RESOLUTION NO.**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**
**COMMENDING DISTINGUISHED SERVICE ON THE SPECIAL DISTRICTS ADVISORY COMMITTEE**

**JOHN PASTORE**
**RANCHO SANTA FE COMMUNITY SERVICES DISTRICT**

**WHEREAS,** the San Diego County Local Agency Formation Commission (LAFCO) established the Special Districts Advisory Committee ("Committee") in 1971; and

**WHEREAS,** the Committee consists of 16 members drawn from the independent special districts in San Diego County and elected by their peers to four-year terms; and

**WHEREAS,** the Committee is tasked with providing feedback and recommendations on germane topics to assist LAFCO in fulfilling its regulatory and planning duties; and

**WHEREAS,** John Pastore served on the Committee between 1985 and 2019 and most recently as the General Manager for the Rancho Santa Fe Community Services District; and

**WHEREAS,** with over 34 years of service, John Pastore became one of the longest tenured members of the Committee in its nearly 50-year history; and

**WHEREAS**, John Pastore earned the respect and gratitude of her colleagues and LAFCO staff with his measured approach in carrying out the business of the Committee with a focus on improving local governmental services;

**WHEREAS**, San Diego LAFCO wishes John Pastore continued happiness and success now as a distinguished alumnus of the Committee.

**NOW, THEREFORE, BE IT RESOLVED,** the members of San Diego LAFCO, individually and collectively, convey their appreciation for the service rendered by John Pastore to the Committee and acknowledge and commend the value his service has added to the Commission and to the people of San Diego County.

The foregoing resolution was passed and adopted by San Diego LAFCO at a public meeting held on August 5, 2019.

| | |
|---|---|
| Jo MacKenzie | Dianne Jacob |
| Chair | Vice Chair |

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**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT:** **Progress Report on 2019-2020 Workplan**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing specific projects as part of the adopted workplan for 2019-2020. This includes noting through the first month two-fifths of the two dozen plus projects are now underway with three nearing their completion and highlighted by a scheduled municipal service review on the San Diego County Sanitation District. The report is being presented to the Commission to receive and file as well as to discuss any related items or request revisions for future consideration.

## BACKGROUND

### 2019-2020 Workplan

San Diego LAFCO's ("Commission") current fiscal year workplan was adopted at a noticed public hearing held on April 3, 2019. The workplan includes 27 distinct projects and divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The intent of the workplan is to serve as a management tool to allocate resources over the 12-month period and track performance. Towards this end, the Commission reserves discretion to amend the workplan to address changes in priorities or resources as well as to continue projects into subsequent fiscal years.

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

## DISCUSSION

This item provides San Diego LAFCO with its first status update on the 27 targeted projects established for the fiscal year. This includes staff assigning one of four status categories to projects ranging from pending to complete and detailed in Attachment One. The item is being presented for the Commission to formally receive and file while also providing the membership the opportunity to provide direction to staff going forward as well as request amendments for future consideration.

## ANALYSIS

San Diego LAFCO has initiated work on 11 of the projects included in the adopted workplan and represents exactly two-fifths – or 40% – of the total through one month of the fiscal year. The majority of initiated work to date involves high-priority projects and includes nearing completion on a scheduled municipal service review on the San Diego County Sanitation District. Other projects nearing completion include entering into professional services agreement with a new outside auditor following a formal request for proposal process as well as establishing video recording of Commission meetings.

## RECOMMENDATION

It is recommended San Diego LAFCO receive and file the item with the invitation to discuss and or request revisions for future consideration. 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 through a single motion:

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

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.

(continued)

## 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) 2019-2020 Workplan with Status Notations

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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## 2019-2020 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 and outside service requests. Common planning functions include preparing studies to independently evaluate the availability, performance, and need for urban 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 2019-2020 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 2019-2020 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 Vista and San Marcos regions. New priority municipal service reviews involving the Fallbrook region, resource conservation services, and County Service Area No. 135 are also included as well as performing a policy review on outside service extensions. Other high priority projects include working with the County of San Diego to update an existing memorandum of understanding between the two agencies and preparing a policy review on outside service extensions with a focus on establishing local definitions an exemptions.

| Priority | Level | Type | Project | Description and Key Issues | Status |
|---|---|---|---|---|---|
| Continual | ... | Statutory | High Priority Proposals | San Marcos (Highlands), Escondido (Safari Highlands), Chula Vista (Otay Landfill), et al. | Ongoing |
| Continual | ... | Administrative | Targeted LAFCO Presentations | Public outreach; emphasis on informing stakeholders ahead of MSR work | Ongoing |
| 1 | High | Statutory | MSR \| Fallbrook Region | Fallbrook PUD, Rainbow MWD, San Luis Rey MWD, & North County FPD; address latent power query by Fallbrook PUD | Pending |
| 2 | High | Statutory | MSR \| Resource Conservation | Mission RCD, Upper San Luis Rey RCD, & Greater San Diego; address 56133 issues and consolidation opportunities | Pending |
| 3 | High | Statutory | MSR \| CSA No. 135 | Agency-specific review; explore governance options given County Charter amendment codifying fire protection services | Pending |
| 4 | High | Administrative | MOU with County | Update and expand current MOU from 1974; reflect current agency relationships and needs | Pending |
| 5 | High | Statutory | MSR \| San Marcos Region | San Marcos, San Marcos FPD, and Vallecitos WD | Underway |
| 6 | High | Statutory | MSR \| Vista Region | Vista, Vista ID, Vista FPD, and Buena Sanitation | Underway |
| 7 | High | Administrative | Policy Review \| Outside Services | Update polices involving outside service extensions under 56133; establish local definitions and exemptions | Pending |
| 8 | High | Administrative | Cities Advisory Committee | Re-establish dormant Cities Advisory Committee in conjunction with informing Study Schedule and other germane topics | Underway |
| 9 | High | Statutory | MSR \| Escondido Region | Rincon del Diablo MWD and Deer Springs FPD (Part I) and Escondido (Part II) | Underway |
| 10 | High | Statutory | MSR \| SD County Sanitation District | Multiple community wastewater systems located throughout San Diego County | Near Completion |
| 11 | High | Administrative | Job Class and Salary Review | Specific to non-executive positions; focus on alignment and retention via Personnel Committee | Underway |
| 12 | High | Administrative | Policy Review \| Ag Policy | Update existing policies and procedures involving agricultural preservation; incorporate stakeholder outreach | Underway |
| 13 | Moderate | Administrative | RFP for Auditing Services | Establish new multi-year contract arrangement for outside accountant to audit accounting activities | Near Completion |
| 14 | Moderate | Administrative | 2018-2019 Audit | Issue financial statements for 2018-2019; best practice and preceded by RFP (Item No. 13) | Pending |
| 15 | Moderate | Statutory | MSR \| Pauma Valley | Pauma MWD, Pauma CSD, Yuima MWD, Mootamai MWD, and Rincon Ranch CSD | Pending |
| 16 | Moderate | Statutory | MSR \| Valley Center Region | Valley Center MWD, Valley Center CSD, and Valley Center FPD | Pending |
| 17 | Moderate | Statutory | MSR \| Poway Region | Review is agency-specific to Poway | Pending |
| 18 | Moderate | Statutory | MSR \| Ramona Region | Review is agency-specific to Ramona MWD | Pending |
| 19 | Moderate | Administrative | Update Application Procedures | Streamline existing packet to be more user-friendly; address new statutory requirements | Pending |
| 20 | Moderate | Administrative | Districts Advisory Committee | Conduct no less than two quarterly meetings and solicit feedback on germane topics | Underway |
| 21 | Moderate | Administrative | Video Recording | Establish video recording of Commission meetings and online posting to expand community outreach | Near Completion |
| 22 | Moderate | Administrative | CALAFCO | Participate in CALAFCO through the Board, Leg Committee, and Annual Workshop and Conference | Underway |
| 23 | Low | Administrative | Informational Report on SGMA | State Groundwater Management Act (SGMA) implementation in San Diego County relative to LAFCO duties/interests | 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 | LAFCO Brochure | Branding tool for distribution to State and other local agencies | Pending |
| 26 | Low | Administrative | Local Agency Directory | User-friendly publication identifying local governmental agencies under LAFCO oversight in San Diego County | Pending |
| 27 | Low | Administrative | Social Media Policies and Protocols | Establish policies and procedures to expand outreach to capture alternate media forums; link with new website | Pending |

**5h**

**AGENDA REPORT**
Consent | Action

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT:** **CALAFCO Annual Conference Items | Board Nominations and Voting Delegates**

---

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider action items relating to the upcoming California Association of LAFCOs' (CALAFCO) Annual Conference scheduled for October 30th to November 1st in Sacramento. This includes a recommendation for the Commission to formally nominate Commissioner MacKenzie to seek re-election to the CALAFCO Board as well as appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively.

## BACKGROUND

### 2019 CALAFCO Annual Conference

CALAFCO is hosting its Annual Conference beginning Wednesday, October 30th through Friday, November 1st at the Hyatt Regency in Sacramento. The Annual Conference typically draws approximately 350 participants with representation from nearly all 58 county LAFCOs. Preconference activities are planned and include a mobile workshop touring the Port of Sacramento. General session topics planned include LAFCO's role in emergency service planning, addressing housing constraints and opportunities in proposal reviews, and a case-study involving the controversial dissolution of the Sativa Water Agency in Los Angeles. A preliminary program will be posted soon at www.calafco.org.

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

## DISCUSSION

This item is for San Diego LAFCO ("Commission") to consider two separate actions tied to the upcoming CALAFCO Annual Conference scheduled for October 30th to November 1st in Sacramento. These actions involve (a) making nominations for open Board seats for county and district members and (b) appointing voting delegates. An expanded discussion follows.

### Board Nominations

The Commission is assigned to CALAFCO's southern region with five other LAFCOs.[1] This region has one special district seat – which is currently held by Commissioner MacKenzie – and one county seat up for election in October. Terms for both of these seats expire at the end of the calendar year and CALAFCO invites LAFCOs to nominate candidates.[2] Terms are four years and nominations need to be signed by the respective LAFCO Chair and include a completed resume form for the candidate. Nominations must be submitted to CALAFCO by September 30th. Candidates may also be nominated from the floor by a voting delegate. Additional information on the nomination process is provided as Attachment One.

### Appointment of Voting Delegates

Each LAFCO is responsible under CALAFCO bylaws for appointing a delegate and alternate delegate to participate in the board elections and the subsequent business meeting held on the second day of the Annual Conference. The board elections will be conducted by regions while the business meeting provides an opportunity for the entire membership to hear from, and ask questions to, CALAFCO regarding organization activities. This includes – pertinently – the scheduled discussion and vote this year on a new membership dues structure. Delegates may be an alternate or staff. Appointments must be submitted by October 4th.

## ANALYSIS

Commissioner MacKenzie has expressed interest in continuing to serve on the CALAFCO Board as the region's special district representative, and as such it would be appropriate for San Diego LAFCO to proceed in approving a formal nomination. Michael Kelly with Imperial has separately expressed interest in serving one more term as the region's county representative and is expected to be nominated by his home LAFCO. Mr. Kelly has been an active and productive member of the Board and it would be appropriate to support his candidacy for a new two year-term in the absence of interest from a San Diego member (Cox, Desmond, or Jacob). Separately, Commissioners Vanderlaan and MacKenzie are both expected to attend the Annual Conference, and as tenured members it would be appropriate to appoint as delegate and alternate delegate, respectively.

[1] The other LAFCOs assigned to the southern region are Los Angeles, Orange, Imperial, Riverside, and San Bernardino.
[2] The incumbent for the county seat in the southern region is Michael Kelly with Imperial. Mr. Kelly is seeking re-election.

## RECOMMENDATION

It is recommended San Diego LAFCO nominate Commissioner MacKenzie for CALAFCO Board as the region's special district representative. It is also recommended the Commission appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively, at the 2019 Annual CALAFCO Conference. These recommendations are provided as Alternative One in the proceeding section.

## ALTERNATIVES FOR ACTION

The following alternatives are available to the Commission under a single motion:

Alternative One (recommended)

(a) Nominate Commissioner MacKenzie as special district representative for the Southern Region on the CALAFCO Board for 2020-2021.

(b) Appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate for the 2019 CALAFCO Annual Conference.

Alternative Two
Continue to a special meeting ahead of the September 30th deadline to submit formal nominations for the CALAFCO Board and provide additional direction to staff as needed.

Alternative Three
No action.

## 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.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

1) CALAFCO Board Nomination Packet

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CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION COMMISSIONS

CALAFCO

June 25, 2019




**To**: Local Agency Formation Commission
Members and Alternate Members

**From**: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

**RE**: **Nominations for 2019/2020 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

| Northern Region | Central Region | Coastal Region | Southern Region |
|---|---|---|---|
| County Member | City Member | City Member | County Member |
| District Member | Public Member | Public Member | District Member |

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31, 2019 at the Hyatt Regency in Sacramento, CA.

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Monday, September 30, 2019.***

Incumbents are eligible to run for another term. Nominations received by September 30 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 16, 2019 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Monday, September 30, 2019. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 28, 2019.**

***Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.***

***The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 30, 2019 at 5:00 p.m.*** Here is a summary of the deadlines for this year's nomination process:

- June 26 – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- September 30 – Completed Nomination packet due
- September 30 –Request for an absentee/electronic ballot due
- September 30 – Voting delegate name due to CALAFCO
- October 16 – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- October 16 – Distribution of requested absentee/electronic ballots.
- October 28 – Absentee ballots due to CALAFCO
- October 31 - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at sfrentzen@calafco.org or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2019/2020 CALAFCO Election Committee are:

| | |
|---|---|
| Shiva Frentzen, Chair<br>sfrentzen@calafco.org | El Dorado LAFCo (Central Region)<br>530-621-5390 |
| Josh Susman<br>jsusman@calafco.org | Nevada LAFCo (Northern Region)<br>530-265-7180 |
| Cheryl Brothers<br>cbrothers@calafco.org | Orange LAFCo (Southern Region)<br>714-640-5100 |
| Jane Parker<br>jparker@calafco.org | Monterey LAFCo (Coastal Region)<br>831-883-7570 |

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

*Please consider joining us!*

Enclosures

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS CALAFCO

# Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

## 1. APPOINTMENT OF AN ELECTION COMMITTEE:

a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending. [8]

b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director. [8]

c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee. [8]

d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCos across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline. [8]

## 2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following: [8]

i. A statement clearly indicating which offices are subject to the election.

ii. A regional map including LAFCos listed by region.

iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action." [8]

iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.[8]

v. The address to send the nominations forms.

vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.

**Key Timeframes for Nominations Process**

| Days* | |
|---|---|
| 90 | Nomination announcement |
| 30 | Nomination deadline |
| 14 | Committee report released |

**Days prior to annual membership meeting*

b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following: [8]

i. A statement clearly indicating which offices are subject to the election.

ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action." [8]

iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives. [8]

iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.

c. A copy of these procedures shall be posted on the web site.

## 3. THE ELECTION COMMITTEE:

a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period. [8]

b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates. [8]

c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.

d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).

e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference. [8]

f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.

g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election. [8]

h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election. [8]

**4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING**[6]
Limited to the elections of the Board of Directors

a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.

b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.

c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.

d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.

e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.

f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.[8]

**5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:[8]

   i. Review the election procedure with the membership.

   ii. Present the Election Committee Report (previously distributed).

   iii. Call for nominations from the floor by category for those seats subject to this election:

      1. For city member.

      2. For county member.

      3. For public member.

      4. For special district member.

b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.

c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.

d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.

e. The Presiding Officer shall then conduct the election:

   i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:

      1. Name the nominees and offices for which they are nominated.
      2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:

1. Poll the LAFCos in good standing by written ballot.

2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.

3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.[8]

4. With assistance from CALAFCO staff, tally the votes cast and announce the results.

iii. Election to the Board shall occur as follows:

1. The nominee receiving the majority[6] of votes cast is elected.

2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).[6]

3. In case of tie votes[6]:

a. A second run-off election shall be held with the same two nominees.

b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.

4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected. [6]

a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.

b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.

c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

## 6. ADDITIONAL PROCEDURES

a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.

b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting. [8]

c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.

d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.

e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

## 7. LOSS OF ELECTION IN HOME LAFCo

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

## 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007[1], 8 February 2008[2], 13 February 2009[3], 12 February 2010[4], 18 February 2011[5], 29 April 2011[6], 11 July 2014[7], and 27 October 2017[8]. They supersede all previous versions of the policies.*

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# CALAFCO Regions

## FOUR REGIONS



The counties in each of the four regions consist of the following:

**Northern Region**
Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

**CONTACT**: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

**Southern Region**
Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

**CONTACT**: Keene Simonds
San Diego LAFCo
keene.simonds@sdcounty.ca.gov

**Coastal Region**
Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

**CONTACT**: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

**Central Region**
Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

**CONTACT**: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

# Board of Directors
# 2019/2020 Nominations Form

## *Nomination to the CALAFCO Board of Directors*

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) ☐ City ☐ County ☐ Special District ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

_____
LAFCo Chair

_____
Date

**NOTICE OF DEADLINE**

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee.
Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Date Received

_____

California Association of Local Agency Formation Commissions

CALAFCO

# Board of Directors
# 2019/2020 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): ❑ Northern ❑ Coastal ❑ Central ❑ Southern

Category (please check one): ❑ City ❑ County ❑ Special District ❑ Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

**NOTICE OF DEADLINE**

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee.
Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

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**AGENDA REPORT**
Consent | Information

August 5, 2019

**TO:** Commissioners

**FROM:** Robert Barry, Chief Policy Analyst
Linda Zambito, Analyst I
Alex Vidal, Analyst I

**SUBJECT:** **Current Proposals and Related Activities**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report summarizing active proposals on file with the Commission as well as pending submittals. The item is for information only and concurrently satisfies the Commission's reporting requirement to affected agencies for special district annexation proposals submitted by petition. The notification starts a 60-day period in which subject special districts may request termination of the annexation proceedings due to financial or service-related concerns.

## BACKGROUND

### LAFCO Proceedings

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which include incorporations, formations, annexations, detachments, mergers, consolidations, and service power activations or divestures – may be initiated by landowner/voter petition or resolution by local agencies. LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Following submittal, proposal

**Administration**
Keene Simonds, Executive Officer
County Operations Center
9335 Hazard Way, Suite 200
San Diego, California 92123
T 858.614.7755 F 858.614.7766
www.sdlafco.org

Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

applications are reviewed for completeness and status letters are sent to applicants within 30 days. If additional documentation is required, the proposal is deemed incomplete and the status letter will itemize any needed information. Once submitted proposals are deemed complete, they are scheduled for Commission hearing. Proposals 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.

## 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 filed with LAFCO in the near term. A summary of active and pending proposals follow and further detailed in Attachment One. The information item also serves to concurrently satisfy the Commission's reporting requirement to provide notice on agendas to affected special districts when annexation proposals are initiated by petition of landowners or registered voters.[1]

### Active Proposals

There are 23 active proposals currently on file with San Diego LAFCO as of date. The active proposals range in scope from pre-hearing to post-hearing with the latter category representing items already approved by the Commission but awaiting the completion of conducting authority proceedings (i.e., protest) or terms.

### Pending Proposals

There are eight potential new and substantive proposals staff expects to be submitted to San Diego LAFCO in the near-term from local agencies based on ongoing discussions with proponents.[2] Three of these pending proposals involve city annexations in North County to accommodate relatively large residential subdivision projects and include Safari Highlands (Escondido), Sager Ranch (Escondido), and Rancho Lomas Verdes (Vista). Two pending proposals involve city annexations in South County, one to eliminate a large unincorporated island containing the Otay Mesa Landfill (Chula Vista), the other to facilitate commercial development on Sweetwater Road (National City). Other pending proposals involve relatively large unincorporated residential development projects west of the City of Escondido – Valiano (Eden Hills) and Harmony Grove Village South – and would require annexations to one or more special districts.

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

[2] 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 nearly two dozen jurisdictional change proposals and outside-of-agency service agreement requests. The volume of new submittals, however, has slowed down. This slow down in new proposal activity provides an opportunity for the Commission to review its application materials and make related improvements per the adopted workplan. The slow down also provides staff an opportunity to draft new policy to establish guidelines in terminating inactive and/or otherwise dormant proposal filings for future Commission consideration.

Proposal details are provided as Attachment One.

## 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,

Linda Zambito
Analyst I

Attachment:

1) Active and Pending Proposals as of August 5, 2019

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| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| **ACTIVE PROPOSALS \| PENDING COMMISSION ACTION** | | | | |
| 1 | DA08-10 | "Avocado Way-Potter Annexation"<br>- Vallecitos WD (Annexation) | Robert Barry | Proposal application submitted in March 2008 for a proposed annexation to Vallecitos WD to obtain sewer 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. Ongoing discussions with Vallecitos WD as of 2018. |
| 2 | RO08-09 | "South Mollison Ave-Snyder Reorganization"<br>- City of El Cajon (Annexation) | Robert Barry | Proposal 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 to date. |
| 3 | RO08-15<br>SA08-15 | "Crestlake Estates Reorganization"<br>- San Diego County SD (Annexation)<br>- Lakeside FPD (Annexation)<br>- CSA 69 (Annexation) | Robert Barry | Proposal application submitted in May 2008 requesting a reorganization to provide sewer 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. |
| 4 | DA12-02 | "Lorch Annexation"<br>- Borrego WD (Annexation) | Robert Barry | Proposal application submitted in March 2012 to annex approximately 9.4 acres to the Borrego Water District to provide water service to one parcel. The site is within the adopted sphere. but 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. |
| 5 | RO06-17 | "Tobacco Road Reorganization"<br>- City of Escondido (Annexation) | Robert Barry | Proposal application submitted in March 2006 to annex six parcels to the City of El Cajon for wastewater Service. In 2006, LAFCO approved two out of service agreements to allow the City of Escondido to provide sewer 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 proceeding forward in determining if the other landowners are interested/willing to proceed with the annexation at this time. |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| 6 | DA16-10 | "CSA 17 Harmony Grove Annexation"<br>- CSA 17 (Annexation) | Linda Zambito | Proposal submitted in May 2016 to approximately 3,600 acres to CSA 17 for ambulance service. It was required as 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 2018 to provide assistance. |
| 7 | RO16-11 | "Rancho Hills Annexation"<br>- Rancho Santa Fe CSD (Annexation) | Robert Barry | Proposal 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 | SA16-13<br>RO16-13 | "Windmill Construction Reorganization"<br>- City of La Mesa (Annexation)<br>- San Miguel FPD (Detachment)<br>- CSA 135 (Detachment) | Robert Barry | Proposal submitted in October 2016 to annex approximately 0.13 acre to be developed as a single residential lot to the City of La Mesa for wastewater service. Originated as an outside agency service extension request with the City of La Mesa. The proposal has transitioned into a reorganization as a City condition of service. Property owner proposes development of one single-family residence. La Mesa has approved a General Plan Amendment and prezoning for the affected territory. The submitted proposal is scheduled for Commission hearing on August 5th, 2019. |
| 9 | SA17-07<br>RO17-07 | "San Marcos Highlands Reorganization"<br>- City of San Marcos (Annexation)<br>- San Marcos FPD (Annexation)<br>- Vista FPD (Detachment)<br>- Vallecitos WD (Sphere Amendment, Annexation)<br>- Vista ID (Detachment)<br>- Tri-City Healthcare District (Detachment)<br>- Palomar Health Healthcare District (Annexation) | Robert Barry | Proposal submitted in June 2017 by resolution to annex approximately 125 acres 189-SFR development to the City of San Marcos. The proposal involves concurrent reorganizations between the San Marcos FPD and the Vista FPD for fire protection services, and between the Vallecitos WD and Vista ID for the provision of sewer and water services. The City of San Marcos has approved development plans and environmental review for the referenced development titled "San Marcos Highlands." The City's approvals included a condition requiring the City and the County to execute a habitat protection agreement with State and Federal agencies for the proposal area. The submitted proposal application is incomplete pending receipt of additional documentation – including the referenced habitat document – and information from the applicant to complete staff's analysis. |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| 10 | RO18-13<br>SA18-13 | "Pauma Valley Fire Reorganization"<br>- CSA No. 135 (Service-specific Sphere Amendment and Activated Latent Powers Area Expansion)<br>- Pauma Valley MWD (Divestiture)<br>- Yuima MWD (Divestiture)<br>- Mootamai MWD (Divestiture) | Linda Zambito | Proposal submitted in August 2018 by resolution from Pauma Valley MWD, Yuima MWD, Mootamai MWD and CSA No. 135, involves the divesture of fire and EMS services and concurrent latent power expansion and service-specific sphere amendment for CSA No. 135. The proposal is scheduled for Commission hearing on August 5th, 2019. |
| 11 | RO19-01<br>SA19-01 | "Lomas De Oro Court Change of Organization"<br>- Leucadia Wastewater District (Detachment) | Alex Vidal / Robert Barry | Proposal submitted by landowner petition in February 2019 involving detachment from the Leucadia WWD. Affected territory includes two developed incorporated parcels totaling approximately 1.18 acres. Detachment from Leucadia WWD is requested as a City of Encinitas condition of wastewater service to the parcels. The submitted proposal is scheduled for Commission hearing on August 5th, 2019. |
| 12 | RO19-02 | "Salem – Snyder Road Change of Organization"<br>- Otay Water District (Annexation) | Robert Barry | Proposal submitted in February 2019 by landowner petition, involves annexation of an approximately 1.49 acre residential lot for wastewater service. The submitted proposal is scheduled for Commission hearing on August 5th, 2019. |
| 13 | Ro19-04 | "Ortega – Olde Highway 80 Change of Organization"<br>- San Diego County Sanitation District (Annexation) | Linda Zambito | Proposal submitted in February 2019 by landowner petition, involves the annexation of two residential lots totaling approximately 5.07 acres 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. |
| 14 | RO19-08<br>OAS19-08 | "Wilmott–Champagne Boulevard Reorganization"<br>- Valley Center Municipal Water District (Annexation)<br>- Vallecitos Water District (Detachment) | Robert Barry | Proposal was submitted in June 2019 by landowner petition, involves reorganization of one unincorporated parcel totaling approximately 1.4 acres developed with one single-family residence. The reorganization includes annexation of the affected territory to Valley Center MWD for water service with a concurrent detachment from Vallecitos WD. The residence uses an on-site well for domestic water needs that has been documented by DEH as failing. The subject parcel is presently within the Vallecitos WD but is within the sphere of influence for Valley Center MWD and has an existing MWD water line within the adjacent Champagne Boulevard frontage right-of-way. The Executive Officer administratively approved an outside-of-agency water service agreement with the Valley Center MWD in advance of the reorganization on June 18th. Ratification of the administratively-approved service agreement is scheduled for Commission hearing on August 5th, 2019. |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| 15 | RO19-06 | "Orchard Hills Reorganization"<br>- Vallecitos Water District (Annexation)<br>- Vista Irrigation District (Detachment) | Robert Barry | Proposal submitted in March 2019 by landowner petition. Involves annexation to Vallecitos WD and detachment from Vista ID of two unincorporated parcels totaling approximately 12.5 acres for wastewater and water services. The affected territory is located within the Vallecitos WD sphere of influence and is subject to a County of San Diego tentative map (TM5570) for a 20-lot residential subdivision. The submitted proposal is tentatively scheduled for Commission hearing on October 7th, 2019. |
| 16 | DA19-07<br>OAS19-07 | "Acaia Ave–Rains Revocable Trust"<br>- San Diego County Sanitation District (Sphere Amendment, OAS) | Robert Barry | Proposal submitted in April 2019 by landowner petition, involves the annexation of one developed unincorporated parcel totaling 0.45 acres for wastewater service. The existing residence uses an on-site septic system that has been documented by DEH as failing. The Executive Officer administratively approved an outside-of-agency water service agreement with the San Diego County SD in advance of the annexation. The submitted proposal application is incomplete and pending receipt of additional documentation and information to complete staff's analysis. |
| **ACTIVE \| <u>POST COMMISSION ACTION</u>** | | | | |
| 17 | RO18-09 | "Julian – Cuyamaca FPD Reorganization"<br>- Julian – Cuyamaca FPD (Dissolution)<br>- CSA 135 (Latent Power Expansion) | John Traylor | Proposal submitted April 2018 requesting dissolution of the approximate 52,100 acre Julian-Cuyamaca FPD with concurrent expansion of the activated latent power area of CSA No. 135 for fire protection and emergency medical services within the affected territory. The proposal was approved by the Commission on September 10, 2018 with a subsequent protest hearing held on October 16, 2018. Written protest submitted from registered voters was deemed sufficient to require an election and is separately addressed as part of Agenda Item No. 15. The election resulted in 54% of the registered voters approving dissolution of the FPD and the associated transfer of authority for fire protection and emergency medical services to CSA 135. LAFCO certified the election results and recorded the reorganization on April 8, 2019. Opponents have filed actions to overturn the approval and are currently subject to Court proceedings. |
| 18 | SA16-20<br>LP16-20 | "CSA 135 Islands Reorganization"<br>- CSA 135 – LP Fire Area (Latent Powers Expansion)<br>- Bonita-Sunnyside FPD (Annexation)<br>- Lakeside FPD (Annexation)<br>- San Miguel FPD (Annexation)<br>- Ramona MWD (Annexation) | Robert Barry | Proposal submitted November 2016 and involved the annexation of remaining unserved Islands 2, 3, and 4 within Heartland area and reorganization of local fire service territory among five agencies: CSA 135; Bonita-Sunnyside FPD; Lakeside FPD; Ramona MWD; and San Miguel FPD. Reorganization proposal submitted by resolution of the San Diego County Fire Authority. Involves 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. A concurrent amendment to add the affected territory to the subject agencies' spheres of influence is also required to accommodate the proposed action. The proposal was approved by the Commission on 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. |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| 19 | CO18-17<br>DA18-17 | "Nordahl Road-Diaz Change of Organization"<br>- Vallecitos Water District (Annexation) | Robert Barry | Proposal submitted in October 2018 by landowner petition, involves the annexation of an approximately 3.8 acre lot. The proposal was approved by the Commission on March 4, 2018 and is now pending recordation once all terms are satisfied. |
| 20 | SA18-07<br>OAS18-07 | "Carmichael Drive – Wyman Service Agreement"<br>- City of La Mesa (Sphere Amendment, OAS) | Robert Barry | Proposal involves an outside-of-agency wastewater service extension agreement between the property owner and the City of La Mesa for wastewater sewer service to one developed single-family residence located outside of the La Mesa sphere of influence. The purpose of the request 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. |
| 21 | RO19-03 | "Bonsingnore – Guava Lane Change of Organization"<br>- Otay Water District (Annexation) | Linda Zambito | Proposal submitted in February 2019 by landowner petition, involves the annexation of an approximately 0.98 acre residential lot for wastewater service. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied. |
| 22 | RO18-16 | "Stonemark Estates Reorganization"<br>- City of Vista (Annexation)<br>- Buena SD (Detachment)<br>- Vista FPD (Detachment) | Robert Barry | Proposal submitted in October 2018 by resolution from the City of Vista, involves the annexation of an approximately 31.75 acres and concurrent detachment from Buena Sanitation and Vista Fire Protection. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied. |
| 23 | DD18-10 | "Pala Detachment"<br>- San Luis Rey MWD (Detachment) | Robert Barry | Proposal submitted April 2018 by petition of the landowners of a detachment of approximately 334.33 acres from the San Luis Rey Municipal Water District. The proposal area includes 11 unincorporated parcels that are owned by the Pala Band of Mission Indians, but are not part of the Pala Reservation area. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| **PENDING PROPOSAL SUBMITTALS**<br>(No project manager; inquiries should be direct to Robert Barry) | | | | |
| 24 | Pending | "Safari Highlands Reorganization"<br>- City of Escondido | | This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an expected submittal to LAFCO later in 2018. 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 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 issues have been communicated to the City and are currently under joint-review with other stakeholders. |
| 25 | Pending | "Rancho Lomas Verde Reorganization"<br>- City of Vista | | This anticipated reorganization 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 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 issues have been communicated to the City and are currently under joint-review with other stakeholders. |
| 26 | Pending | "Sager Ranch Reorganization"<br>- City of Escondido | | This anticipated reorganization involves annexation of approximate 1,800 acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the 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 issues have been communicated to the City and are currently under joint-review with other stakeholders. |
| 27 | Pending | Valiano Specific Plan (TM-5575) | | This anticipated reorganization involves the Eden Hills project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 239 acres to include 326 residential units. |

## SAN DIEGO LAFCO PROPOSAL SUMMARY

| | File Number | Proposal Name \| Affected Agencies | Project Manager | Proposal Summary |
|---|---|---|---|---|
| 28 | Pending | Harmony Grove Village South (TM-626) | | This anticipated reorganization involves the 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. |
| 29 | Pending | Otay Mesa Landfill – City of Chula Vista | | This anticipated reorganization involves annexation of an unincorporated island containing the Otay Mesa Landfill to the City of Chula Vista. |
| 30 | Pending | "Sweetwater Road Reorganization" – City of National City, Lower Sweetwater FPD, and CSA No. 135 | | This anticipated reorganization involves annexation of two parcels to the City of National City for commercial development. Includes concurrent detachments from Lower Sweetwater FPD and CSA No. 135 (Regional Communications). |
| 31 | Pending | Fallbrook Public Utility District and Rainbow Municipal Water District Reorganization | | This anticipated reorganization involves detachment of two retail member agencies from the overlying wholesale imported water provider – the San Diego County Water Authority – and concurrent annexation to Eastern Municipal Water District (Riverside County). |

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# 6a

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Linda Zambito, Analyst I

**SUBJECT:** **Final Report and Related Actions |**
**Municipal Service Review on the San Diego County Sanitation District**

---

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a final report prepared as part of the Commission's scheduled municipal service review on the San Diego County Sanitation District. The final report returns with limited revisions from the earlier draft presented in June and represents an independent assessment of the availability, need, and adequacy of the District's public wastewater services within each of its seven distinct service areas in San Diego County. Staff recommends the Commission formally accept the final report along with adopting a resolution making determinations on all of the factors required under statute as part of the municipal service review directive.

## 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 and the general public therein with regard to the availability and sufficiency of governmental services relative to community needs. Municipal service reviews statutorily

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inform required sphere of influence updates and may also lead the Commission to take other actions, such as forming, consolidating, or dissolving one or more special districts.

## Current Workplan | Municipal Service Review on the San Diego County Sanitation District

San Diego LAFCO's current workplan was adopted at a noticed hearing held on April 3, 2019 and outlines over two dozen project goals for the fiscal year. This includes completing an agency-specific municipal service review on the San Diego County Sanitation District and its public wastewater services provided in each of its seven unincorporated service areas in central and eastern San Diego County. Markedly, the municipal service review represents the first Commission report on the San Diego County Sanitation District since its formation in 2011 and consolidation therein of nine previous service providers.

## Draft Report and Public Review

Staff presented a draft municipal service review on the San Diego County Sanitation District for discussion at San Diego LAFCO's June 3, 2019 meeting. The presentation included an overview by staff on key conclusions and recommendations reflected in the draft and immediately preceded the initiation of a 45-day public review and comment period through July 19th. Subsequent comments received on the draft have been largely limited to technical corrections and clarifications by the San Diego County Sanitation District; no comments have been received to date from the general public.[1]

## DISCUSSION

This item is for San Diego LAFCO to complete its scheduled municipal service review on the San Diego County Sanitation District. This includes accepting a final report prepared by staff and highlighted by an Executive Summary outlining key conclusions, recommendations, and related determinations relative to the Commission's growth management duties and interests. This also includes adopting a resolution memorializing the municipal service review and approving abbreviated determinations drawn from the final report and addressing all of the factors required for consideration under statute.

## ANALYSIS

The final municipal service review on the San Diego County Sanitation District before San Diego LAFCO remains generally intact and retains all key conclusions and recommendations presented in the draft and outlined in the Executive Summary (Chapter Two). A relatively small number of revisions – nonetheless – have been made and these include three substantive changes to the Executive Summary and are summarized below.

[1] A notice inviting public review and comment on the draft report was published in the San Diego Union Tribute as well as posted on San Diego LAFCO's website. A copy of the notice was also provided to the San Diego County Sanitation District.

- Conclusion No. 4 in the Executive Summary on San Diego County Sanitation District's financial standing has been revised to address the recent implementation of a five-year rate restructuring and its use of reserves to help absorb and phase the related 45% cost-increase to customers through 2021-2022.

- Recommendation No. 7 in the Executive Officer has been added and encourages San Diego County Sanitation District and Otay Water District to explore reorganization opportunities to transfer wastewater responsibilities from the former to the latter with respect to the Jamacha area in southeast San Diego County.

- Recommendation No. 8 in the Executive Officer has been revised to cite and encourage San Diego County Sanitation District to continue to collaborate with Helix Water District, Padre Dam Municipal Water District, and the City of El Cajon to ultimately convert wastewater into a new water supply in the region.

**RECOMMENDATION**

It is recommended San Diego LAFCO proceed to formally accept the final municipal service review on the San Diego County Sanitation District and adopt a resolution approving related and abbreviated determinations addressing all factors required under statute. This recommendation is consistent with Alternative One as outlined in the succeeding section and would complete the municipal service review under the adopted workplan.

**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 the San Diego County Sanitation District.

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 the San Diego County Sanitation District.

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

Alternative Three:
Take no action.

**PROCEDURES FOR CONSIDERATION**

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

1) Receive verbal presentation from staff unless waived;
2) Open the hearing and invite audience comments; and
3) Close the hearing, discuss item, and consider action on recommendation.

Respectfully,





Keene Simonds
Executive Officer

Linda Zambito
Analyst I

Attachments:

1) Final Report | Municipal Service Review on the San Diego County Sanitation District
2) Resolution Making Determinations | Municipal Service Review on the San Diego County Sanitation District

# San Diego County
# Local Agency Formation Commission



## SAN DIEGO COUNTY SANITATION DISTRICT

Municipal Service Review | Government Code 56430

**Service Areas**
Alpine-Lakeside
Campo
East Otay Mesa
Julian
Pine Valley
Spring Valley
Winter Gardens

**Final Report** | August 2019

**Project Manager**
Linda Zambito, Analyst I

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## ACKNOWLEDGEMENT

San Diego County LAFCO gratefully acknowledges the time and effort of officials and staff with San Diego County Sanitation District – with added appreciation to Susan Spotts and Daniel Brogadir – in assisting in the preparation of this report.

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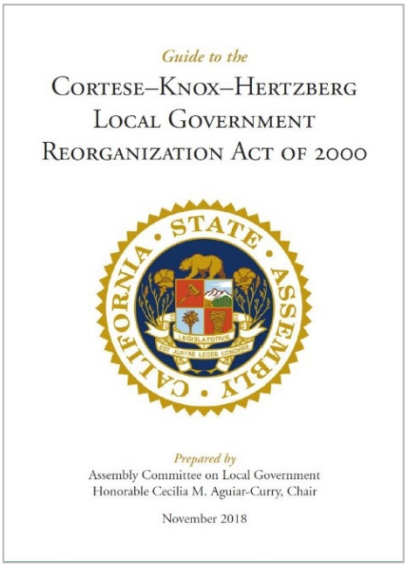
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# CHAPTER ONE | INTRODUCTION

## 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 commonly 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 services 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 June 1, 2019

| Commissioner | Appointing Authority | Affiliation |
|---|---|---|
| Chair Jo MacKenze | Independent Special Districts | Vista Irrigation District |
| Vice Chair Dianne Jacob | Board of Supervisors | County of San Diego |
| Jim Desmond | Board of Supervisors | County of San Diego |
| Mark Kersey | City of San Diego Council | City of San Diego |
| Mary Casillas Salas | Cities Selection Committee | City of Chula Vista |
| Andy Vanderlaan | Commission | Representative of the Public |
| Bill Wells | Cities Selection Committee | City of El Cajon |
| Barry Willis | Independent Special Districts | Alpine Fire Protection District |
| Chris Cate, Alternate | City of San Diego Council | City of San Diego |
| Greg Cox, Alternate | Board of Supervisors | County of San Diego |
| Serge Dedina, Alternate | Cities Selection Committee | City of Imperial Beach |
| Erin Lump, Alternate | Independent Special Districts | Rincon del Diablo Municipal Water |
| Harry J. Mathis, Alternate | Commission | Representative of the Public |

Immediate Past Members in 2019:
Catherine Blakespear, Cities Selection Committee, City of Encinitas
Ed Sprague, Independent Special Districts, Olivenhain Municipal Water District
Judy Hanson, Independent Special Districts, Leucadia Wastewater District (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 email 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.

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# CHAPTER TWO | EXECUTIVE SUMMARY

## 1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review of the San Diego County Sanitation District (SD) and its public wastewater services. 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 wastewater services provided by San Diego County SD and within its multiple and distinct service areas over the next five-year period relative to the Commission's regional growth management duties and responsibilities as established by the Legislature. Information generated as part of the report will be used by the Commission to (a) guide a subsequent sphere of influence update, (b) inform future boundary changes, and – if merited – (c) initiate future government reorganizations.

> The purpose of the report is to produce an independent "snapshot" of the availability, adequacy, and performance of San Diego County SD and its public wastewater services. The Commission will draw on this information in guiding a subsequent sphere update, informing future boundary changes, and if merited serve as the source document to initiate one or more reorganizations.

### 1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program of San Diego County SD and its current municipal service activity: wastewater. 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 2014 to 2018 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 2023 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle legislatively 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 the San Diego County SD 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 Seri's mapping software to readily synch 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.

## Focusing on Macro-Level Determinations

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of San Diego County SD's public wastewater services relative to current and near-term needs. A prominent example involves focusing on average day demands within the affected service areas relative to associated collection, treatment, and/or discharge capacities. 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 analysis focuses on overall average system demands generated during the five-year report period in each of San Diego County SD's service areas 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 San Diego County SD's financial solvency based on a review of available audited information during the report period, fiscal years 2014 to 2018. 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 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 preceded by a detailed agency profile (Chapter Three) on San Diego County SD. The profile anchors the document and transitions between qualitative and quantitative analyses with the latter headlined by measuring population and demographic trends, service capacities and related needs, and financial standing.

## 3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review is approximately 47 square miles or 30,000 acres in size. The geographic area has been purposefully designated by the Executive Officer to include all seven services areas that collectively comprise the jurisdictional boundary of the San Diego County SD and surrounding lands. These seven service areas and surrounding lands that make up the geographic area of this municipal service review are summarized below and shown in the accompanying map.

- Alpine-Lakeside
  The combined service area is approximately 12,380 acres in size in central San Diego County. The Lakeside portion is the larger of the two and lies immediately east of the City of Santee and generally north of Interstate 8. The Alpine portion lies to the east of Lakeside in the adjacent foothills along Interstate 8.

- Campo
  The service area is 457 acres in size and lies 50 miles east of the City of El Cajon along State Highway 94 near the international border in southeast San Diego County.

[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.

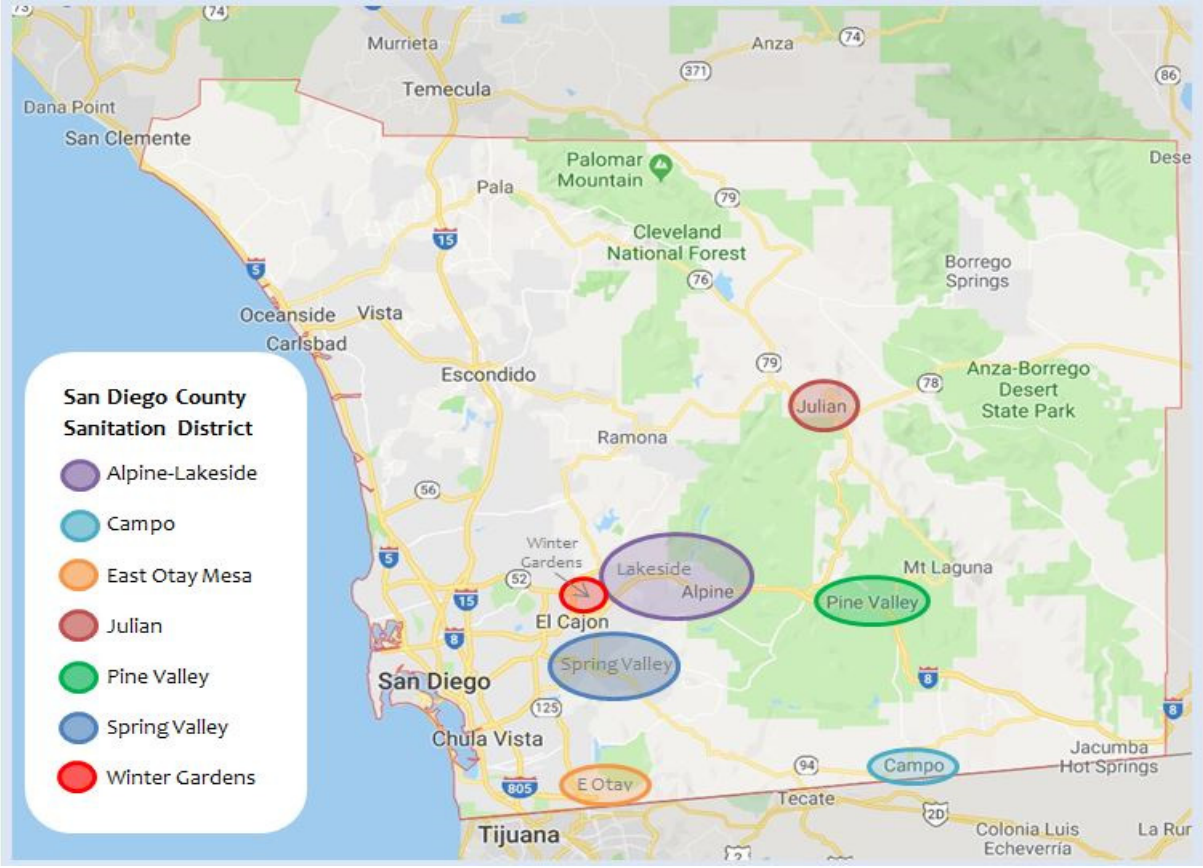
- East Otay Mesa
  The service area is approximately 2,627 acres in size and immediately north of the international border along new State Highway 11 in southcentral San Diego County.

- Julian
  The service area is 118 acres in size and lies 35 miles northeast of the City of Poway and encompasses the downtown Julian community in eastern San Diego County.

- Pine Valley
  The service area is 28 acres in size and lies 30 miles east of the City of El Cajon along Old State Highway 80 off of Interstate 8 in eastern San Diego County.

- Spring Valley
  The service area is 12,915 acres in size and lies along State Highway 94 immediately adjacent to the City of El Cajon in southcentral San Diego County.

- Winter Gardens
  The service area is 1,046 acres in size and immediately adjacent to City of El Cajon and the intersection of Interstate 8/State Highway 67 in southcentral San Diego County.



# 4.0 REPORT SUMMARY

## 4.1 General Conclusions

The San Diego County SD serves as the successor agency to multiple special districts that were collectively consolidated into one governing entity in 2011 for purposes of streamlining administration and operations of public wastewater services throughout central and eastern San Diego County. San Diego County SD now serves as the single largest special district wastewater utility in the unincorporated area with an estimated fulltime population nearing 150,000. This latter amount represents close to one-third of the total unincorporated population and underlies San Diego County SD's integral role in helping the County of San Diego effectuate its land use policies and accommodate housing opportunities for all incomes. Recent growth within San Diego County SD and its seven service areas follows historical patterns and falls slightly below countywide averages, and reflects the District generally serves more rural and slower-growth oriented communities.

A review of San Diego County SD relative to San Diego LAFCO's growth management tasks and interests as prescribed under statute produces five central conclusions. These conclusions collectively address the availability, need, and adequacy of San Diego County SD's wastewater services and range in substance from addressing demand-to-capacity relationships in all seven service areas to overall financial standing. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2014 and 2018 and detailed in the agency profile.

- **No. 1 | Byproduct of a Successful Reorganization**
  San Diego County SD has been successful in achieving its formation purpose to improve public wastewater services within its jurisdictional boundary and multiple service areas therein. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governance structure with greater economies of scale to plan, fund, and implement capital improvements for the benefit of all seven service areas. This success – and among other purposes – serves as a model for other potential reorganizations in San Diego County.

- **No. 2 | Regional Distinctions in Service Areas**
  San Diego County SD serves two distinct regions with markedly different service needs and demographics. Service needs are bifurcated in intensity with the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge. Demographics also show

ratepayers in the central service areas are generally younger with additional education and income compared to the eastern service areas.

- **No. 3 | Adequate and Excess Capacities in Most Service Areas**
  San Diego County SD has adequate capacity in six of its seven service areas – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – to accommodate current and projected near-term demands. This comment is substantiated given none of the systems' average demands generated during the five-year report period exceed 60% of their associated capacities. Capacity in the seventh service area – Winter Gardens – is more limited with average demand tallying 89%.

- **No. 4 | Financial Standing Remains Positive**
  San Diego County SD has experienced a steady decline in its net position during the five-year report period with an overall decrease – and excluding pension obligations – of (1.4%) due to ongoing margin losses that underlie a (38.1%) change in its operating reserve ratio. This decline is largely attributed to San Diego County SD implementing a five-year rate restructure that draws down on reserves in phasing an ultimate 45.0% raise in customer wastewater rates by 2021-2022. Notwithstanding this recent draw-down, San Diego County SD remains in good overall financial standing and finished the period with relatively healthy levels of liquidity and capital with the latter reflected by a debt ratio of less than 10%.

- **No. 5 | Defer Comprehensive Sphere of Influence Update**
  A preliminary review indicates a comprehensive update to San Diego County SD's sphere is merited to consider changes involving several of the service areas. This includes – and among other considerations – expanding the sphere to accommodate future wastewater expansions into adjacent lands qualifying as disadvantaged unincorporated communities. The scale and scope of the update suggests a deferral to the next municipal service review would be appropriate and allow additional time to coordinate with San Diego County SD and other interested stakeholders.

## 4.2 Recommendations

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

1. San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD and incorporate the information into the next scheduled municipal service review.

2. San Diego LAFCO should coordinate with San Diego County SD to assess opportunities and costs therein to establish public wastewater services for lands adjacent to existing District infrastructure that are urban in nature or qualify as disadvantaged unincorporated communities.

3. San Diego County SD should revisit its agreement with the City of El Cajon to wheel wastewater from the Spring Valley service area to the City of San Diego for treatment and discharge to allow for additional flows given approaching limitations.

4. Unmetered connections to San Diego County SD's collection system in the Spring Valley service area masks true demands generated by the District and merits remedy to more accurately synch future system improvements to user benefits.

5. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with completing an upcoming municipal service review on the City of San Diego and its treatment and discharge of wastewater collected – and from among other sources – San Diego County SD's central service areas.

6. San Diego County SD is currently implementing a five-year rate restructure that will increase rates nine percent annually across all service areas through 2021-2022 with the intent of remedying recent margin losses. The next municipal service review serves as an opportunity for the Commission to revisit the topic and San Diego County SD's ability to effectively realign and match costs with rates in step with considering substantive sphere of influence expansions.

7. San Diego County SD and Otay Water District should explore reorganization options in the Jamacha Basin to better economize existing wastewater services in the area.

8. San Diego County SD is partnering with the City of El Cajon, Padre Dam Municipal Water District, and Helix Water District to develop a reuse program to purify collected wastewater into a new water supply in the central service area. This partnership appropriately responds to the need to establish reliable local water supplies in the region and the Commission encourages the agencies to continue to develop and ultimately implement this program.

9. San Diego County SD should take additional efforts to distinguish its role to ratepayers as a stand-alone governmental entity separate from the County of San Diego, and this includes – and among other items – posting meeting information along with associated agendas and minutes on its website.

10. San Diego LAFCO should proceed to affirm San Diego County SD's sphere with no changes with the explicit intention of preparing a comprehensive update ahead and or as part of the next municipal service review in step with a more holistic assessment of wastewater needs within adjacent lands to District service areas.

## 5.0 WRITTEN DETERMINATIONS

These determinations detail the pertinent issues relating to the planning, delivery, and funding of San Diego County SD's public wastewater services relative to the Commission's interests. Determinations based on data collected and analyzed between 2014 and 2018.

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 is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of San Diego County SD's public wastewater services 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 with the final report.

### 5.1 Growth and Population Projections

1. San Diego LAFCO estimates there are 149,789 total fulltime residents within San Diego County SD as of the end of the report period.

2. The estimated total fulltime resident population within San Diego County SD at the end of the report period of 149,789 is divided between seven distinct service areas throughout unincorporated San Diego County as follows.

   (a) 92,717 residents in Spring Valley

   (b) 43,389 residents in Alpine-Lakeside

   (c) 12,873 residents in Winter Gardens

   (d) 598 residents in Campo

(e) 153 residents in Julian

(f) 51 residents in Pine Valley

(g) 8 residents in East Otay Mesa

3. San Diego LAFCO estimates the combined annual rate of new fulltime population growth in San Diego County SD during the report period has been 0.67%. This rate is two-fifths lower than the corresponding amount for all of San Diego County and reflects the District generally serves more rural and slower-growth oriented communities.

4. San Diego LAFCO assumes the estimated growth rate in San Diego County SD and in each of its seven service areas will hold over the report timeframe given no significant residential developments are presently vested or proposed. To this end, it is projected the District will add 5,716 new fulltime residents totaling 155,505 by 2023 and divided between the seven service areas as follows.

(a) 96,015 residents in Spring Valley; a net addition of 3,298

(b) 45,305 residents in Alpine-Lakeside; a net addition of 1,916

(c) 630 residents in Campo; a net addition of 32

(d) 13,333 residents in Winter Gardens; a net addition of 460

(e) 159 residents in Julian; a net addition of 6

(f) 54 residents in Pine Valley; a net additional of 3

(g) 9 residents in East Otay Mesa; a net addition of 1

5. San Diego LAFCO estimates 2,034 new dwelling units have been built within San Diego County SD over the report period with more than nine-tenths located within the Spring Valley and Alpine-Lakeside service areas. This trend illustrates an internal distinction with these two service areas serving as the epicenter of current and future residential growth in the District.

6. The average monthly housing cost in San Diego County SD has remained relatively stagnant over the five-year report period and presently totals $1,721, which is one-tenth higher than the countywide amount.

7. Significant non-residential growth is planned within the East Otay Mesa service area and expected to parallel the completion of State Highway 11 and proposed new commercial port of entry with Mexico. Should this development proceed as planned the East Otay Mesa will become a prominent service area for San Diego County SD and demand and generate greater District resources going forward.

8. San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD and incorporate the information into the next scheduled municipal service review.

9. A review of demographic information reveals distinct contrasts in economic and social standing in San Diego County SD between its central and eastern service areas. These distinctions show the central service areas – Spring Valley, Alpine-Lakeside, East Otay Mesa, and Winter Gardens – are generally younger with additional education and income compared to the eastern service areas – Campo, Julian, and Pine Valley.

## 5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities

1. All of San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – are entirely within and or immediately adjacent to lands currently qualifying as disadvantaged unincorporated communities under State and local policy.

2. Approximately one-fifth of lands within and/or adjacent to San Diego County SD's central service areas – Spring Valley, Lakeside, and Winter Gardens – qualify as disadvantaged unincorporated communities under State and local policy.

3. State law emphasizes LAFCO consider the availability of fire protection, water, and wastewater services in disadvantaged unincorporated communities as part of the municipal service review process. To this end, the following statements apply.

   (a) All lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities already receive organized fire protection services from County Service Area No. 135, Lakeside Fire Protection District, or San Miguel Consolidated Fire Protection District.

(b) The majority of lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities receive water service from Cuyamaca Water District, Wynola Water District, Julian Community Services District, Majestic Pines Community Services District, Lakeside Water District, Campo Water Maintenance District or Helix Water District.

(c) A considerable amount of lands immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities do not receive wastewater services and are wholly dependent on private septic systems.

4. San Diego LAFCO should coordinate with San Diego County SD to assess opportunities and costs to establish public wastewater services for lands adjacent to existing District infrastructure that qualify as disadvantaged unincorporated communities and incorporate this information into a future municipal service review.

## 5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. San Diego County SD's lone municipal service – wastewater – commenced at the time of its formation in 2011 and involved assuming operation of preexisting facilities in various condition that presently comprise seven distinct service areas in the District.

2. San Diego County SD's wastewater operations are bifurcated by function with the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge.

3. San Diego County SD has made a concerted effort to streamline and improve service levels since its 2011 formation. These efforts are highlighted by immediately preparing master plans for all seven service areas and have directly informed numerous projects to upgrade, rehab, and repair infrastructure throughout the District.

4. The average total daily flow of wastewater collected by San Diego County SD and within its seven service areas over the five-year report period tallies 14.4 million gallons, or a LAFCO estimated 96.2 gallons for every person. Additional wastewater flow tallies generated in each service area over the 60-month period follows.

(a) Average daily flows in Alpine-Lakeside have tallied 2.75 million gallons. This amount translates to a daily estimate of 64.4 gallons for every person and 173.7 gallons for every occupied housing unit.

(b) Average daily flows in Campo have tallied 0.046 million gallons. This amount translates to a daily estimate of 87.0 gallons for every person and 514.4 gallons for every occupied housing unit.

(c) Average daily flows in East Otay Mesa have tallied 0.220 million gallons and translates to an estimated 16,923 gallons per connection.

(d) Average daily flows in Julian have tallied 0.024 million gallons. This amount translates to a daily estimate of 159.4 gallons for every person and 333.2 gallons for every occupied housing unit.

(e) Average daily flows in Pine Valley have tallied 0.0086 million gallons. This amount translates to a daily estimate of 178.3 gallons for every person and 324 gallons for every occupied housing unit.

(f) Average daily flows in Spring Valley have tallied 10.4 million gallons. This amount translates to a daily estimate of 129.3 gallons for every person and 351.1 gallons for every occupied housing unit.

(g) Average daily flows in Winter Gardens have tallied 0.887 million gallons. This amount translates to a daily estimate of 72.4 gallons for every person and 200.1 gallons for every occupied housing unit.

5. The average total daily flow of wastewater collected by San Diego County SD during the report period has experienced changes within the individual service areas from a low of (2.0%) in Spring Valley to a high of 11.2% in Julian.

6. Two of San Diego County SD's service areas – Alpine-Lakeside and Julian – have experienced increases in their average daily wastewater flows that markedly exceed their corresponding changes in estimated growth during the five-year report period. This dynamic suggests these service areas' collection systems are prone to relatively higher levels of infiltration and inflow from groundwater and runoff.

7. Five of San Diego County SD's service areas' – Campo, East Otay Mesa, Pine Valley, Spring Valley, and Winter Gardens – average daily wastewater flows fall below their estimated growth during the five-year report period. This dynamic suggests these service areas' collection systems are in relatively good shape with respect to protecting against excessive infiltration from groundwater and runoff.

8. The collection systems for six of the seven service areas in San Diego County SD – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the collection systems' average day demands generated during the report period exceed 60% of their associated capacities.

9. San Diego County SD's collection system for the Winter Gardens' service area is nearing its contracted capacity to convey wastewater through the City of El Cajon to the City of San Diego for treatment and discharge and merits review by the District. This comment is substantiated given the collection system's average day demand generated during the report period is at 89% of capacity.

10. San Diego County SD's collection system for Spring Valley receives and wheels wastewater flows to the City of San Diego from several adjacent agencies through two dozen connections with the majority unmetered. These unmetered connections mask true demands generated in Spring Valley specific to the District and merits remedy to more accurately synch system improvements to user benefits.

11. San Diego LAFCO will review the sufficiency of treatment and discharge services provided for San Diego County SD's central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – as part of a future municipal service review involving the City of San Diego and will revisit the analysis of this report as needed.

12. San Diego County SD's treatment and discharge facilities for the eastern service areas – Campo, Julian, and Pine Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the three service areas' peak-day demands generated in the collection systems during the five-year report period exceed 75% of their associated treatment and discharge capacities.

## 5.4 Agencies' Financial Ability to Provide Services

1. San Diego County SD has experienced a decline in its financial standing during the report period and marked by an overall decrease of nearly one-tenth – or (7.8%) – in its net position. This decline is largely attributed to changes in pension obligations plus a planned draw-down on reserves as part of a phased rate increase.

2. San Diego County SD remains in good overall financial standing and finished the most audited fiscal year in 2017-2018 with relatively healthy levels of liquidity and capital. This latter measurement is headlined by the District finishing the report period with a debt ratio of less than 10%; a relatively low amount for a utility with considerable infrastructure holdings.

3. San Diego County SD operates exclusively as an enterprise fund and is responsible for fully recovering its operating costs with operating revenues borne from user charges collected within all seven service areas. To this end, the District should continue to revisit user charges and pursue updates to remedy consistent operating losses experienced over the report period that collectively averaged (7.0%).

4. San Diego County SD's current rate schedule for wastewater services is uniformly applied across all seven of its service areas with a present annual charge of $399 for single-family residences. The uniform rate structure creates economies of scale and allows the District to absorb and balance changes in expenses within individual service areas with less immediate impact to ratepayers.

5. Non-operating revenues for San Diego County SD during the report period has been limited to interest earned on its fund balance through investments managed by the County of San Diego Auditor's Office. This supplemental revenue has been able to reduce – but not eliminate – the District's operating losses and produced a total margin average of (5.5%) during the report period.

6. Opportunities to increase direct revenues within San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – in support of their respective public wastewater systems through additional users is constrained due to existing land use policies. The substantive result – and in the absence of fee increases – is a dependency on new development in the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – to generate additional ratepayer revenue ratepayers to keep pace with costs.

## 5.5 Status and Opportunities for Shared Facilities and Resources

1. San Diego County SD's ratepayers have benefited from the ongoing costs savings tied to the 2011 formation and ability therein to economize administrative resources in providing public wastewater services within seven distinct service areas.

2. San Diego County SD should explore opportunities to partner with public and private water providers within its eastern service areas – Campo, Julian, and Pine Valley – to repurpose wastewater into recycled supplies for beneficial use within the District's jurisdictional boundary.

3. San Diego County SD and Otay Water District should explore reorganization options in the Jamacha Basin to better economize existing wastewater services in the area.

4. San Diego County SD is partnering with the City of El Cajon, Padre Dam Municipal Water District, and Helix Water District to develop a reuse program to purify collected wastewater into a new water supply in the central service area. This partnership appropriately responds to the need to establish reliable local water supplies in the region and the Commission encourages the agencies to continue to develop and ultimately implement this program.

## 5.6 Local Accountability and Government Restructure Options

1. The multi-agency consolidation underlying the formation of the San Diego County SD in 2011 has been successful in improving governance within all seven service areas. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governing structure with greater economies of scale to plan, fund, and implement capital improvements.

2. Ratepayers within San Diego County SD benefit from the District employing capable and dedicated management that appear to effectively administer day-to-day activities consistent with governing directives and community needs.

3. San Diego County SD should take additional efforts to distinguish its role as a stand-alone governmental entity separate from the County of San Diego and improve accountability to District ratepayers. This includes – and among other opportunities – posting meeting information and associated agendas and minutes specific to the District on its website.

4. The scope and geographic diversity of San Diego County SD's jurisdictional boundary suggests it would be appropriate for San Diego LAFCO to proceed with affirming the sphere of influence with no changes with the explicit intention of preparing a comprehensive update ahead or as part of the next municipal service review. Deferring a comprehensive update would allow LAFCO and the District to partner in a more holistic assessment of wastewater needs adjacent to existing service areas, including lands qualifying as disadvantaged unincorporated communities.

# CHAPTER THREE | AGENCY PROFILE

## SAN DIEGO COUNTY SANITATION DISTRICT

### 1.0 OVERVIEW

**County of San Diego**
Kearny Mesa Campus | Public Works



*Photo Credit: County of San Diego*

The San Diego County SD is a dependent special district formed in 2011 as part of a multi-agency reorganization of public wastewater services in several unincorporated communities in San Diego County. Formation proceedings were initiated by the County Board of Supervisors in consultation with LAFCO to consolidate the County's administration of nine dependent special districts. Reorganization involved the dissolution of eight of the dependent special districts and annexation of territory therein to the Spring Valley SD, which was concurrently renamed as San Diego County SD. San Diego County SD encompasses an approximate 46.2 square mile or 29,571-acre jurisdictional boundary divided between seven distinct service areas. Governance is provided by the five-member Board of Supervisors whose members are elected by divisions and eligible to serve up to two four-year terms.

San Diego County SD is currently organized as a limited purpose agency with municipal activities tied to providing only wastewater services. The collection of wastewater is facilitated through approximately 430 miles of sewer lines for processing at one of four wastewater treatment facilities with the majority of overall flows conveyed to the City of San Diego's Point Loma Treatment Plant. San Diego County SD is also authorized – subject to LAFCO approving latent power activations – to provide water, garbage, and street cleaning services. The operating budget at the end of the report period (2017-2018) was $28.6 million. The net position as of the last audited financial statements in June 30, 2018 was $118.7 million with the unrestricted portion tallying $40.7 million. This latter amount represents the equivalent of 16 plus months of normal operating expenses.

LAFCO independently estimates the fulltime resident population within San Diego County SD is 149,789 as of the end of this report period and accommodated through 57,543 current housing units. The estimated population is divided between the seven service areas with three-fifths – or 92,717 – residing in Spring Valley. It is also estimated the overall population

has increased by 8,044 since 2010 with a resulting combined annual growth rate of 0.67%, which is more than one-third below the overall countywide rate of 0.94%. It is assumed for purposes of this report growth and development within San Diego County SD will continue consistent with recent trends and result in the population reaching 155,505 over the next five-year period to 2023. The median household income is $76,447 based on the current five-year period average and bookend within is seven service areas between a low of $41,250 in Campo and a high of $90,491 in East Otay Mesa.

## 2.0 BACKGROUND

### 2.1 Community Development

San Diego County SD's primary service area is Spring Valley and it accounts' for more than three-fifths of the current estimated resident population within the District. The present-day development of Spring Valley began in the early 1860s in conjunction with homesteader Squire Augustus Ensworth acquiring the then-federal lands and proceeding to develop the area's first commercial ranch with agriculture and livestock.

**Spring Valley**
Campo Road, Circa 1890s



*Photo Credit: Spring Valley Historical Society*

Despite the arrival of railroad and opening of a train station in the early 1880s development in Spring Valley was limited due to a lack of reliable water supplies and – among other outcomes – undermined the County Board of Supervisors' approval in 1887 of the La Pesa Subdivision; the first planned development in the area. Remedies to improve water supplies eventually led to the creation of the Spring Valley Irrigation District in 1913 and facilitated an agreement with the City of San Diego to receive potable deliveries from Lake Cuyamaca. The delivery of potable water proved prosperous for agricultural interests and Spring Valley became populated with numerous avocado farms and led local landowners in the 1920s to self-title the area as the "Avocado Capital of the United States." Parallel interests in residential development also was renewed and highlighted by the Board of Supervisors' approving the Casa de Oro Avocado Estates Subdivision in 1928. The end of World War II accelerated the transition from agrarian to residential uses in Spring Valley with the population increasing between 1940 and 1950 by more than two-fold from 1,050 to 3,500 and directly preceding the formation of the Spring Valley Sanitary District in 1952.

Additional community background information relating to the other six current service areas comprising San Diego County SD follows.[7]

7 An eighth service area – Harmony Grove – was detached in 2018 as part of a reorganization involving the Rincon del Diablo Municipal Water District.

- The Alpine-Lakeside combined service area is the second largest population source for San Diego County SD. Its development began in the 1870s with Alpine homesteader John Harbison establishing a commercial honey business with more than 2,000 bee hives. Development of the adjacent Lakeside community began in 1880s with the El Cajon Land Company promoting the community for resort uses in conjunction with establishing water diversions from Lake Cuyamaca. Both communities fully transitioned in the 1950s to predominate residential uses and as bedroom communities for the San Diego metropolitan center. Wastewater services were established in 1952 and 1955 with the formations of the Alpine and Lakeside Sanitation Districts, respectively.

- The Winter Gardens service area is the third largest population source for the San Diego County SD. Its present-day development began with the County Board of Supervisors approving the original Winter Gardens Subdivision in 1927, which was further divided and developed into additional residential lots over the succeeding forty years. Wastewater services were established in 1964 with the formation of the Winter Gardens Sewer Maintenance District.

- The Campo service area represents the fourth largest population source for San Diego County SD. Campo's present-day development began in the 1880s and originated with becoming an entry point with Mexico and providing associated commercial and residential uses for border patrols. Wastewater services were established in 1945 with the formation of the Campo Sewer Maintenance District.

- The Julian service area represents the fifth largest population source for San Diego County SD. Julian's present-day development began with the discovery of gold in the 1860s and marked by the creation of a downtown commercial district along Main Street and accentuated by surrounding residential uses. Wastewater services were established in 1945 with the formation of the Julian Sanitation District.

- The Pine Valley service area represents the sixth largest population source for San Diego County SD. Pine Valley's present-day development began with cattle grazing in the 1890s and transitioned to rural residential uses by the 1920s and initially as seasonal second homes and later augmented with commercial uses to accommodate travelers along old State Highway 80. Wastewater services were established in 1968 with the formation of the Pine Valley Sanitation District.

- The East Otay Mesa service area is largely industrial and is the smallest population source for San Diego County SD. East Otay Mesa's present-day development began in the 1990s as a planned international commerce center with uses therein ranging from commercial assembly to heavy industrial with immediate access to a planned border crossing with Mexico. Wastewater services were established in 1999 with the formation of the East Otay Sewer Maintenance District.

## 2.2 Formation Proceedings

San Diego County SD's formation was initiated by resolution of the County of San Diego Board of Supervisors in February 2010 to consolidate wastewater services among nine dependent special districts under County management into a single agency. This involved dissolving the Alpine, Julian, Lakeside, and Pine Valley Sanitation Districts as well as the Campo, East Otay Mesa, Harmony Grove, and Winter Gardens Sewer Maintenance Districts and annexing the affected territory into the Spring Valley Sanitation District as the sole successor agency with the referenced renaming. The reorganization filing followed an earlier LAFCO municipal service review in 2007 covering public wastewater services in San Diego County. The municipal service review included a recommendation for the County to explore consolidating its separate wastewater operations into a single-entity for purposes of reducing administrative costs and standardizing user rates. LAFCO approved the reorganization subject to protest in September 2010. Protest proceedings did not require an election and LAFCO proceeded to order the reorganization effective July 1, 2011.

## 2.3 Post Formation Activities

A summary of notable activities undertaken by San Diego County SD and/or affecting the District's jurisdictional boundary following its formation in 2011 is provided below.

- San Diego County SD completes sewer master plans for all seven of its service areas through contract with Atkins Design and Engineering. The master plans incorporate 20-year capital improvement plans and associated sewer rate evaluations.

- The Harmony Grove service area is detached from San Diego County SD in 2018. The detachment is part of a reorganization involving the concurrent expansion of Rincon del Diablo Municipal Water District's authorized wastewater service area to include the approximate 425-acre unincorporated development (Harmony Grove Village).

# 3.0 BOUNDARIES

## 3.1 Jurisdictional Boundary

San Diego County SD's existing boundary spans approximately 46.2 square miles in size and covers 29,571 acres (parcels and public rights-of-ways) between seven non-contiguous areas with more than two-fifths in Spring Valley. Nearly all of the jurisdictional boundary – approximately 99.8% – is unincorporated and under the land use authority of the County of San Diego. The remaining portion of jurisdictional lands – approximately 0.02% of the total – is incorporated and under the land use authority of the City of National City. Overall there are 86,731 registered voters currently within the jurisdictional boundary.

San Diego County SD's jurisdictional boundary spans 46.2 square miles with 99.8% being unincorporated and under the land use authority of the County of San Diego. The remainder of the jurisdictional boundary lies within the City of National City.

**San Diego County SD | Boundary Breakdown By Service Area**
Table 3.1a (Source: Esri and San Diego LAFCO)

| Service Area | Total Assessor Parcel Acres | % of Total Accessor Parcel Acres | Total Assessor Parcels | Number of Registered Voters |
|---|---|---|---|---|
| Spring Valley | 12,915 | 43.7% | 26,398 | 51,742 |
| Alpine-Lakeside | 12,380 | 41.9% | 15,267 | 28,040 |
| Campo | 457 | 1.5% | 308 | 394 |
| Julian | 118 | 0.4% | 190 | 99 |
| East Otay Mesa | 2,627 | 8.9% | 103 | 1 |
| Pine Valley | 28 | 0.1% | 60 | 42 |
| Winter Gardens | 1,046 | 3.5% | 3,136 | 6,413 |
| Totals | 29,571 | 100.0% | 45,462 | 86,731 |

**San Diego County SD | Boundary Breakdown By Land Use Authority**
Table 3.1b (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 | 29,566 | 99.98 | 45,453 | 86,726 |
| City of National City | 5 | 0.02 | 9 | 5 |
| Totals | 29,571 | 100.0% | 45,462 | 86,731 |

Total assessed value (land and structure) is set at $14.7 billion as of April 2019 and translates to a per acre value ratio of $497.11. The former amount further represents a per capita value of $98.14 based on the estimated service population of 149,789. San Diego County SD does not receive any annual property tax revenue generated within its jurisdictional boundary and operates entirely as an enterprise.

Close to three-fourths of the jurisdictional boundary is under private ownership, and of this amount approximately one-half has been developed.

The jurisdictional boundary is currently divided into 45,462 legal parcels and spans 29,571 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Close to three-fourths – or 73.8% – of the parcel acreage is under private ownership with one-half 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 is entirely undeveloped and consists of 4,737 vacant parcels that collectively total 6,631 acres. Approximately one-tenth of the jurisdictional boundary qualifies as a disadvantaged unincorporated community. This includes all of the Campo and Julian service areas and portions of the Alpine-Lakeside and Spring Valley service areas.[8]

## 3.2 Sphere of Influence

San Diego County SD's sphere was established by LAFCO in 2011 in conjunction with approving the formation proceedings. The sphere spans 57.6 square miles and covers 36,844 acres and further distinguished by the following features:

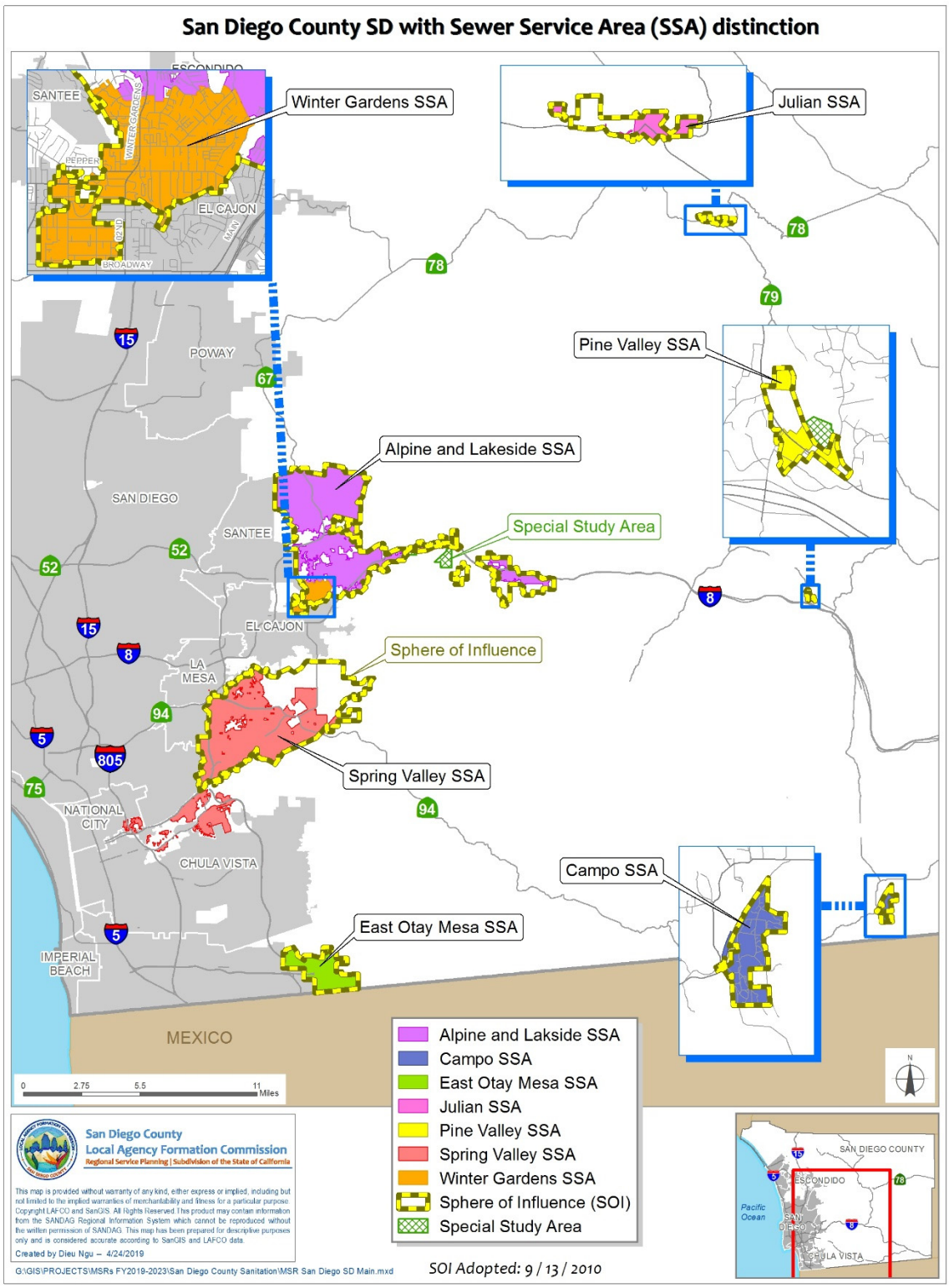
- The sphere excludes 9,141 acres of jurisdictional acres. This excluded acreage represents one-fourth of the total jurisdictional boundary and lies entirely in the Spring Valley service area and within or immediately adjacent to the Cities of Chula Vista and National City. The existing exclusion of these lands marks LAFCO's standing policy expectation the territory be detached.

- The sphere includes 9,379 acres of non-jurisdictional acres. This additional acreage represents one-tenth of the total jurisdictional boundary and lies within multiple service areas with the majority within Spring Valley. The existing inclusion of the lands marks LAFCO's standing policy expectation the territory be annexed when the timing is deemed appropriate.

- The sphere includes three distinct special study areas. All three study areas lie outside the jurisdictional boundary and collectively total 396.2 acres and affect the Alpine-Lakeside (two) and Pine Valley (one) service areas. The establishment of these three study areas reflects a standing policy expectation for LAFCO to perform additional analysis to determine whether it would be appropriate to formally add affected territory to the sphere as part of future update.

[8] Maps showing the exact locations of qualifying disadvantaged unincorporated communities within and adjacent to the San Diego County SD jurisdictional boundary is provided as an appendix.

## 3.3 Current Boundary and Sphere Map



# 4.0 DEMOGRAPHICS

## 4.1 Population and Housing

San Diego County SD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 149,789 as of the term of the five-year report period. This amount represents 4.5% of the countywide total with three-fifths – or 61.9% – of the District estimate residing with the Spring Valley service area. The Alpine-Lakeside service area follows and accounts for another one-tenth of the total District estimate with the remainder divided in order of magnitude between the Campo, Julian, Pine Valley, Winter Gardens, and East Otay Mesa's service areas. It is also estimated the total population within San Diego County SD has risen overall by 6.0% from 141,745 in 2010 and the last census reset. This amount translates to an annual change of 0.67%, which is two-fifths below the countywide rate of 0.94%. The Campo service area expereinced the largest relative increase in popluation in the District with the annual rate rising by 1.1% since 2010. It is projected the current growth rate will continue into the near-term and result in the population increasing within the District to 155,505 by 2023.

It is estimated there are 149,789 current fulltime residents within San Diego County SD with nearly nine-tenths within its two primary service areas: Spring Valley at 92,717 and Alpine-Lakeside at 43,389.

**San Diego County SD | Population Breakdown By Service Area**
Table 4.1a (Source: Esri and San Diego LAFCO)

| Service Area | 2010 | 2018 | Annual Change | Projected 2023 |
|---|---|---|---|---|
| Spring Valley | 88,071 | 92,717 | 0.63% | 96,015 |
| Alpine-Lakeside | 40,608 | 43,389 | 0.81% | 45,305 |
| Campo | 545 | 598 | 1.13% | 630 |
| Julian | 143 | 153 | 0.82% | 159 |
| East Otay Mesa | 8 | 8 | 0.0% | 9 |
| Pine Valley | 48 | 51 | 0.74% | 54 |
| Winter Gardens | 12,322 | 12,873 | 0.53% | 13,333 |
| Totals | 141,745 | 149,789 | 0.67% | 155,505 |

There are presently 52,492 residential housing units within San Diego County SD. This amount represents an overall increase of 2,034 units since 2010 and translates to an average production rate of 226 new housing units per year. Further, 59.4% of the current housing unit total are owner-occupied, 36.7% are renter-occupied, and the remaining 3.9% are vacant. The average household size is 3.2 and has increased 6.0% over the preceding five-year period. The mean monthly housing cost has slightly increased by 0.22% from $1,717.36 to $1,721 based on

Housing production within San Diego County SD currently totals 52,492 dwelling units with 31,432 – or three-fifths – located in the Spring Valley service area. The average monthly housing cost in San Diego County SD is $1,721.16 and bookend by a low of $874.00 in the Campo service area and a high of $2,118.54 in the East Otay Mesa service area.

the most recent five-year period averages, and is one-tenth higher than the countywide cost of $1,578. The Winter Gardens' service area has expereinced the largest relative increase in housing costs in the District with the average rising by 15.6% since 2010.

**San Diego County SD | Housing Breakdown By Service Area**
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

| Service Area | 2010 Housing Units | 2018 Housing Units | Change | 2010 Monthly Housing Cost | 2018 Monthly Housing Cost | Change |
|---|---|---|---|---|---|---|
| Spring Valley | 30,196 | 31,432 | 4.1% | 1,852.03 | 1,801.46 | (2.7%) |
| Alpine-Lakeside | 15,523 | 16,168 | 4.2% | 1,567.93 | 1,613.53 | 2.9% |
| Campo | 162 | 166 | 2.5% | 782.00 | 8,74.00 | 11.8% |
| Julian | 87 | 93 | 6.9% | 1,161.00 | 1,152.00 | (0.8%) |
| East Otay Mesa | 3 | 3 | 0.0% | 2,137.25 | 2,118.54 | (0.9%) |
| Pine Valley | 48 | 51 | 6.3% | 1,181.00 | 1,345.00 | 13.9% |
| Winter Gardens | 4,439 | 4,579 | 3.2% | 1,254.28 | 1,449.81 | 15.6% |
| Totals | 50,458 | 52,492 | 4.0% | $1,717.36 | $1,721.20 | 2.5% |

## 4.2 Age Distribution

The median age of residents in San Diego County SD is 38.4 based on the current five-year period average. This amount is divided between a low of 30.8 in East Otay Mesa and a high of 48.1 in Julian. The overall amount shows the population is getting older with the median age experiencing a net change of 3.6% from 37.1 over the preceding five-year period average. Residents in the prime working age group defined as ages 25 to 64 make up over one-half of the total District population at 52.8% and parallels the countywide average of 47.0%. The highest concentration of prime working age residents by service area is in Pine Valley at 55.3%.

Residents within San Diego County SD tend to be older with a medium age of 38.4; an amount that is less than one-tenth higher than the countywide average of 35.3. The overall average is bookended by an average low of 30.8 in the East Otay Mesa service area and an average high of 48.1 in the Julian service area.

**San Diego County SD | Age Breakdown By Service Area**
Table 4.2 (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 |
|---|---|---|---|---|---|---|
| Spring Valley | 38 | 38 | 0.1% | 52.6% | 52.2% | (1.3%) |
| Alpine-Lakeside | 38 | 41 | 7.6% | 52.0% | 53.3% | 2.5% |
| Campo | 35 | 42 | 18.4% | 50.8% | 51.2% | 0.8% |
| Julian | 52 | 48 | (6.9%) | 56.4% | 46.7% | (17.2%) |
| East Otay Mesa | 31 | 31 | 0.8% | 55.6% | 54.1% | (2.7%) |
| Pine Valley | 50 | 42 | (15.4%) | 57.6% | 55.3% | (3.9%) |
| Winter Gardens | 36 | 36 | (0.1%) | 52.3% | 52.9% | 1.2% |
| Totals | 37.1 | 38.4 | 3.6% | 52.7% | 52.8% | 0.2% |

## 4.3 Income Characteristics

The median household income in San Diego County SD is $76,447 based on the current five-year period average. This amount is divided between a low of $41,250 in Campo and a high of $90,491 in East Otay Mesa. The overall amount shows residents are overall receiving more pay with the median income changing by 1.8% from the preceding five-year period average of $75,104. Separately, the current average rate of persons that are living below the poverty level in San Diego County SD is 10.8% and booked by a low of 8.1% in Pine Valley and a high of 20% in Campo. The countywide average of persons living below the poverty level is 14.0%.

San Diego County SD residents' average median household income has experienced a modest overall increase of 1.8% since 2010 and currently averages $76,447; the latter exceeding the countywide rate by more than one-tenth. Poverty rates in the District also fall below the countywide rate.

**San Diego County SD | Income Breakdown By Service Area**
Table 4.3 (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 |
|---|---|---|---|---|---|---|
| Spring Valley | 77,137 | 75,775 | (1.77%) | 9.73 | 11.69 | 20.12% |
| Alpine-Lakeside | 75,857 | 77,828 | 2.60% | 7.07 | 9.57 | 35.24% |
| Campo | 58,200 | 41,250 | (29.12%) | 23.40 | 20.00 | (14.53%) |
| Julian | 66,758 | 48,373 | (27.54%) | 7.40 | 9.90 | 33.78% |
| East Otay Mesa | 72,626 | 90,491 | 24.60% | 12.68 | 8.13 | (35.93%) |
| Pine Valley | 66,758 | 81,000 | 47.74% | 9.00 | 8.30 | (7.78%) |
| Winter Gardens | 56,209 | 51,576 | (8.24%) | 15.78 | 18.23 | 15.52% |
| Totals | 75,104 | 76,447 | 1.8% | 9.3% | 10.8% | 16.5% |

## 4.4 Socioeconomic Indicators

Approximately 4.7% of able adults within San Diego County SD are unemployed based on the current five-year period average. This amount is divided between a low of 2.6% in Julian and a high of 7.5% in Campo. Overall unemployment rates in the District have positively decreased by one-fourth from the earlier five-year average and now closely match the countywide rate of 4.9%. There has also been a positive change in educational levels with rates increasing close to one-tenth and producing a five-year average of 25.3% of residents 25 or older with bachelor degrees. Nearly one-fifth – or 21.0% – of District residents currently collect retirement. The non-English speaking population in the District has decreased from 9.7% to 9.2% and remains substantially below the countywide rate of 15.0%.

Unemployment levels within San Diego County SD have decreased in recent years by one-fourth with the current five-year average totaling 4.7% and closely matches the countywide rate.

**San Diego County SD | Socioeconomic Indicators Breakdown By Service Area**
Table 4.4 (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 |
|---|---|---|---|---|---|---|
| Spring Valley | 6.93 | 5.83 | (15.85%) | 11.10% | 11.37% | 2.45% |
| Alpine-Lakeside | 6.01 | 3.72 | (38.11%) | 3.91% | 3.29% | (15.73%) |
| Campo | 3.50 | 7.50 | 114.29% | 15.90% | 8.00% | (49.69%) |
| Julian | 4.10 | 2.60 | (36.59%) | 1.70% | 8.60% | 405.88% |
| East Otay Mesa | 6.25 | 2.88 | (53.82%) | 29.61% | 26.59% | (10.20%) |
| Pine Valley | 1.90 | 5.70 | 200.00% | 0.40% | 2.70% | 575.00% |
| Winter Gardens | 6.72 | 5.29 | (21.26%) | 8.42% | 10.19% | 21.08% |
| Totals | 6.4 | 4.7 | (26.9%) | 9.67% | 9.2% | (4.5%) |

## 5.0 ORGANIZATION

### 5.1 Governance

San Diego County SD's governance authority is established under the County Sanitation District Act of 1923 ("principal act") and codified under Public Health and Safety Code Sections 4700-4858. This principal act – which was enacted concurrently with an update to the similar provisions of the California Sanitary District Act – empowers San Diego County SD to provide a moderate range of municipal services upon approval by LAFCO. As of date, San Diego County SD is authorized to provide only one municipal service – wastewater – with class functions being collection, treatment, and discharge. All other powers and any associated class functions enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing before San Diego County SD would be allowed to initiate. Similarly, should it ever seek to divest itself of directly providing an active service or class function therein, San Diego County SD would also need to seek LAFCO approval. A list comparing active and latent powers follows.

| **Active Service Powers** | **Latent Service Powers** |
|---|---|
| Wastewater | Solid Waste |
| - collection | Recycled Water |
| - treatment | Storm Drainage |
| - discharge | Street Cleaning/Sweeping |

Governance of San Diego County SD is dependently provided by the County of San Diego and through its five-member Board of Supervisors that are elected by supervisorial division to staggered four-year terms. San Diego County SD holds meetings as needed and as part of regular meetings held by the Board of Supervisors. A current listing of Board of Supervisors along with respective backgrounds follows.

**San Diego County SD | Current Governing Board Roster**
Table 5.1 (Source: San Diego County SD)

| Member | Position | Background | Board Years on San Diego County SD |
|---|---|---|---|
| Dianne Jacob | President | Educator | 8 |
| Greg Cox | Vice President | Educator | 8 |
| Jim Desmond | Director | Aviation | 1 |
| Nathan Fletcher | Director | Educator | 1 |
| Kristin Gaspar | Director | Finance | 2 |

## 5.2 Administration

The County of San Diego Public Works Department is delegated administrative responsibilities over San Diego County SD and its day-to-day activities. The Public Works Director – Richard E. Crompton – serves as the General Manager with operations provided through the Wastewater Management Division; the latter currently comprising 33 budgeted fulltime employees as of the term of the report period and divided between three units: a) District Administration, b) Collections, Engineering and Operations, and c) Facility Engineering and Operations. Legal services are provided by County Counsel.

# 6.0 MUNICIPAL SERVICES

San Diego County SD provides one municipal service: wastewater. A summary analysis of this service follows with respect to capacities, demands, and performance.

## 6.1 Wastewater Services

San Diego County SD's wastewater services commenced at the time of its formation in 2011 and involved assuming ownership and operation of facilities that presently comprise seven distinct service areas within the District. Four of these service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involve collection only and convey untreated sewer to the City of San Diego's Point Loma Treatment Facility for treatment and discharge. The remaining three service areas – Campo, Julian, and Pine Valley – involve collection along with onsite treatment and disposal. San Diego County SD overall currently registers 36,179 active wastewater connections through 432 miles of sewer lines largely through gravity and augmented with the aid of eight pumping stations. A standard rate uniformly applies to all seven areas as detailed in the accompanying footnote.[9]

[9] In April 2017, the Board of Directors approved a five-year wastewater adjustment consisting of an 8.65% rate increase in the first year and a 9.0% rate increase annually beginning in FY 2019 and ending in FY 2022. At the end of the five-year adjustment the monthly rate would be $43.08 - an overall increase of 53.6% from the monthly cost of $28 in 2017. This rate increase is applied to all service areas across the board with the purpose of the five-year rate adjustment to stabilize revenues sources in relation to operation costs.

## A. Spring Valley

### System Overview

San Diego County SD's service area in Spring Valley currently includes 23,159 active wastewater connections and accounts for 69.5% of the total number of connections within the District. The origins of the wastewater system dates back to 1952 with the formation of the predecessor agency, Spring Valley Sanitary District. The service area is approximately 30 square miles in size and generally lies along State Highway 94 in southeast San Diego County and includes several distinct unincorporated communities and/or neighborhoods. This includes Casa de Oro, Rancho San Diego, La Presa Dictionary Hill, Mt. Helix, and Bancroft. All wastewater collected within the service area is conveyed largely by gravity with the assistance of four public pump stations (Jamacha, Ramona Avenue, Rancho San Diego, and Vista Del Lago) to the City of San Diego's Point Loma Facility for advanced secondary treatment and ocean discharge via adjacent infrastructure of the Metro Wastewater Joint Powers Authority ("METRO"). Flows collected in the service area – pertinently – includes collection from six other adjacent agencies with their own contracts with the Point Loma Facility and further footnoted.[10]

**Spring Valley | Active Wastewater Connections**
Table 6.1A | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 22,241 | 1,238 | 23,479 |
| 2015 | 22,542 | 1,438 | 23,980 |
| 2016 | 22,560 | 1,427 | 23,987 |
| 2017 | 21,272 | 1,420 | 22,692 |
| 2018 | 21,738 | 1,421 | 23,159 |
| Average | 22,071 | 1,3889 | 23,459 |
| Trends | (2.3%) | 14.8% | (1.4%) |

### System Capacities

The Spring Valley service area's maximum daily wastewater capacity to convey collected sewage to the Point Loma Facility for subsequent treatment and disposal is 10.353 million gallons. This amount is specific to the San Diego County SD share allocated to Spring Valley and equals 59.1% of the total daily capacity contracted to the District as a signatory member of METRO. All related infrastructure – including pipeline sizes, pumps, and emergency

> The Spring Valley service area's maximum daily capacity to convey wastewater to the Point Loma Facility for treatment and disposal is 10.353 million gallons.

[10] There are six other agencies with interties connecting into the Spring Valley service area for purposes of conveying wastewater flow to the Point Loma Facility. These agencies are the Cities of San Diego, Chula Vista, Lemon Grove, La Mesa, and National City as well as the Otay Water District and collectively have 36 connections to the Spring Valley system with the majority – 24 – being unmetered.

storage – are designed towards aligning with this capacity with the Point Loma Facility.

## System Demands

The Spring Valley service area's average annual wastewater collection demand generated during the five-year report period for subsequent treatment and disposal at the Point Loma Facility has been approximately 3.827 billion gallons. Of this amount, it is estimated by LAFCO the average annual share specific to San Diego County SD users in the service area has been 1.607 billion gallons. This latter average amount serves as a macro overview of system demands and represents a daily average flow of 10.5 million gallons. It also translates over the report period to an estimated 129.3 gallons per day for each resident or 351.1 gallons per day for each occupied housing unit; it also translates to 452.5 gallons for every service connection. Average annual wastewater demands overall during the report period have decreased by (2.0%).

The estimated average annual wastewater flows generated during the report period among San Diego County SD users in the Spring Valley service area has been 1.607 billion gallons; an amount that translates to 4.404 million gallons per day.

Supplementary micro measurements of recent wastewater demands within Spring Valley specific to San Diego County SD service area users are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Spring Valley directed attributed to San Diego County SD service area users is estimated at 4.972 million gallons. This flow typically is recorded between May and October and tallied an estimated 4.912 million gallons as of the report term with an overall change of (3.3%) over the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Spring Valley directly attributed to San Diego County SD service area users estimated at 5.560 million gallons. This flow typically is recorded between November and April and tallied an estimated 5.314 million gallons as of the report term with an overall change of 9.8% over the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Spring Valley directly attributed to San Diego County SD service area users is estimated at 7.002 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.42.

**Spring Valley | Recent Wastewater Demands**

Table 6.2A | Source: San Diego County SD and San Diego LAFCO

| | Average Daily Flows | | Average Dry-Weather Flows | | Average Wet-Weather Flows | | Recorded Peak-Day Flows | |
|---|---|---|---|---|---|---|---|---|
| Year | All | SDCSD | All | SDCSD | All | SDCSD | All | SDCSD |
| 2014 | 10.846 | 4.555 | 10.776 | 4.526 | 11.696 | 4.912 | 17.245 | 7.243 |
| 2015 | 9.964 | 4.185 | 11.476 | 4.820 | 13.667 | 5.740 | 15.843 | 6.654 |
| 2016 | 10.109 | 4.246 | 11.594 | 4.869 | 13.714 | 5.760 | 16.073 | 6.751 |
| 2017 | 10.867 | 4.564 | 13.644 | 5.730 | 14.459 | 6.073 | 17.279 | 7.257 |
| 2018 | 10.640 | 4.469 | 11.696 | 4.912 | 12.652 | 5.314 | 16.918 | 7.106 |
| Average | 10.485 | 4.404 | 11.837 | 4.972 | 13.237 | 5.560 | 16.671 | 7.002 |
| Trend | (3.3%) | (3.3%) | 9.8% | 9.8% | 13.2% | 13.2% | (3.3%) | (3.3%) |

Notes:
All amounts are in million gallons unless provided otherwise.
LAFCO has calculated flows within SDCSD to reflect a flat 42% of the service area total.

## Service Performance

San Diego County SD is currently operating with sufficient and excess capacity within its Spring Valley service area in accommodating exiting estimated District user demands generated during the five-year report period. This statement is substantiated with the estimated average day demands among San Diego County SD users during the report period equaling 42.5% of the District's contracted capacity for treatment and discharge with the Point Loma Facility. This available capacity and excess therein is not expected to substantively change over the next five-year period.

LAFCO estimates San Diego County SD is presently operating at 42.5% capacity within its service area in Spring Valley. (This estimate excludes projected flows wheeled through the service area by six other agencies.)

## B. Alpine-Lakeside

## System Overview

San Diego County SD's service area in Alpine-Lakeside comprises two adjacent wastewater systems and currently includes 10,109 combined active connections as of the end of the report period. This amount is divided between Alpine with 1,556 and Lakeside with 8,553 and jointly accounts for 27.9% of the total number of connections within San Diego County SD. The origins of the two wastewater systems comprising the service area date back to the formation of the two predecessor agencies, Alpine Sanitation District in 1952 and the Lakeside Sanitation District in 1955. The combined service area is approximately 24.7 square miles in size. The Lakeside portion of service area is the larger of the two and lies immediately east of the City of Santee and generally north of Interstate 8 in eastern San Diego County. The Alpine portion of the service area lies to the east of Lakeside in the adjacent foothills along Interstate 8. Wastewater

collected within Alpine flows directly into Lakeside with the aid of two public pump stations (Galloway and Harbison Canyon). Wastewater in the Lakeside system is conveyed largely by gravity with the assistance of two other public pump stations (Woodcreek and Moreno) to adjacent METRO infrastructure and subsequently sent to the Point Loma Facility for advanced secondary treatment and ocean discharge.[11]

**Alpine-Lakeside Service Area | Active Wastewater Connections**
Table 6.1B| Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 8,530 | 746 | 9,276 |
| 2015 | 9,315 | 910 | 10,225 |
| 2016 | 9,383 | 906 | 10,289 |
| 2017 | 9,192 | 897 | 10,089 |
| 2018 | 9,197 | 912 | 10,109 |
| Average | 9,123 | 874 | 9,998 |
| Trends | 7.8% | 22.3% | 9.0% |

## System Capacities

The Alpine-Lakeside service area's maximum daily wastewater capacity to convey collected sewage to the Point Loma Facility for subsequent treatment and disposal is 4.841 million gallons. This amount is specific to the San Diego County SD share allocated to Alpine-Lakeside and equals 27.7% of the total daily capacity contracted to the District as a signatory of METRO. All related infrastructure – including pipeline sizes, pump stations, and emergency storage facilities – are designed towards aligning with the contract capacity at the Point Loma Facility.

The Alpine-Lakeside service area's maximum daily capacity to convey wastewater to the Point Loma Facility for treatment and disposal is 4.841 million gallons.

## System Demands

The Alpine-Lakeside service area's average annual wastewater collection demand generated during the five-year report period and for ultimate treatment and disposal at the Point Loma Facility has been approximately 1.004 billion gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 2.751 million gallons. It also translates over the report period to an estimated 64.4 gallons per day for each resident or 173.7 gallons per day for each occupied housing unit; it also translates to 272.1 gallons for every service connection. Average annual wastewater demands overall during the report period have increased by 7.2%.

Average annual wastewater flows generated during the report period in the Alpine-Lakeside service area has been 1.004 billion gallons; an amount that translates to 2.751 million gallons per day.

[11] No other flows enter the combined service area from outside agencies.

Supplementary micro measurements of recent wastewater demands within Alpine-Lakeside are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Alpine-Lakeside have been 2.742 million gallons. This flow typically is recorded between May and October and tallied 2.887 million gallons as of the report term with an overall change of 7.6% over the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Alpine-Lakeside have been 3.607 million gallons. This flow typically is recorded between November and April and tallied 3.709 million gallons as of the report term with an overall change of 16.0% over the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Alpine-Lakeside have been 4.374 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.59.

**Alpine-Lakeside | Recent Wastewater Demands**
Table 6.2B | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 2.695 | 2.683 | 3.198 | 4.285 |
| 2015 | 2.707 | 2.700 | 3.301 | 4.304 |
| 2016 | 2.668 | 2.666 | 3.633 | 4.242 |
| 2017 | 2.790 | 2.775 | 4.195 | 4.446 |
| 2018 | 2.890 | 2.887 | 3.709 | 4.595 |
| Average | 2.751 | 2.743 | 3.607 | 4.374 |
| Trend | 7.2% | 7.6% | 16.0% | 7.2% |

Notes:
All amounts are in million gallons unless provided otherwise.

## Service Performance

San Diego County SD is currently operating with sufficient and excess capacity within its Alpine-Lakeside service area in accommodating exiting demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 56.8% of the contracted capacity assigned to the service area by the District via METRO for treatment and discharge at the Point Loma Facility. This available capacity and excess therein is not expected to substantively change over the next five-year period.

San Diego County SD is presently operating at 56.8% capacity within the Alpine-Lakeside service area.

## C. Winter Gardens

### System Overview

San Diego County SD's service area in Winter Gardens currently includes 2,489 active connections as of the end of the report period and accounts for 6.9% of the total number of connections within the District. The wastewater system's origins date back to 1964 with the formation of the predecessor agency for the system, Winter Gardens Sewer Maintenance District. The service area is approximately 1.6 square miles in size and immediately adjacent to the City of El Cajon and northeast of the intersection of Interstate 8 and State Highway 67 in southeast San Diego County. All wastewater collected in the service area is conveyed entirely by gravity and wheeled through the City of El Cajon and subsequently sent via METRO infrastructure to the Point Loma Facility for advanced secondary treatment and ocean discharge.[12]

**Winter Gardens Service Area | Active Wastewater Connections**
Table 6.1C | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 2,284 | 138 | 2,422 |
| 2015 | 2,297 | 179 | 2,476 |
| 2016 | 2,409 | 179 | 2,588 |
| 2017 | 2,300 | 174 | 2,474 |
| 2018 | 2,313 | 176 | 2,489 |
| Average | 2,321 | 169 | 2,490 |
| Trends | 1.3% | 27.5% | 2.8% |

### System Capacities

The Winter Gardens service area's maximum daily wastewater capacity to convey collected sewage to the Point Loma Facility for subsequent treatment and disposal is 1.200 million gallons. This amount is specific to the San Diego County SD share allocated to Winter Gardens and equals 6.9% of the total daily capacity contracted to the District as a signatory of METRO. All related infrastructure – including pipeline sizes – are designed towards aligning with this contracted capacity at the Point Loma Facility. An additional capacity consideration also applies to Winter Gardens and involves a separate agreement with El Cajon to allow the District to wheel its wastewater through the City to a connecting METRO trunk line leading to Point Loma. This wheeling agreement prescribes the maximum average day flow from Winter Gardens into El Cajon at 1.000 million gallons.

The Winter Gardens service area's maximum daily capacity to convey wastewater to the Point Loma Facility for treatment and disposal is 1.200 million gallons. A separate wheeling agreement with El Cajon provides connectivity to the Point Loma Facility and prescribes a maximum average daily flow of 1.000 million gallons.

[12] No other flows enter the combined service area from outside agencies.

## System Demands

Average annual wastewater flows generated during the report period in the Winter Gardens service area has been 323.8 million gallons; an amount that translates to 0.887 million gallons per day.

The Winter Gardens service area's average annual wastewater collection demand generated during the five-year report period and for ultimate treatment and disposal at the Point Loma Facility has been approximately 323.8 million gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 0.887 million gallons. It also translates over the report period to an estimated 72.4 gallons per day for each resident or 200.1 gallons per day for each occupied housing unit; it also translates to 356.3 gallons for every service connection. Average annual wastewater demands overall during the report period have increased by 0.5%.

Supplementary micro measurements of recent wastewater demands within Winter Gardens are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Winter Gardens have been 0.614 million gallons. This flow typically is recorded between May and October and recently tallied 0.619 million gallons as of the report term with an overall change of (1.9%) over the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Winter Gardens have been 0.665 million gallons. This flow typically is recorded between November and April and tallied 0.704 million gallons as of the report term with an overall change of 4.8% over the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Winter Gardens have been 1.410 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.59.

**Winter Gardens | Recent Wastewater Demands**
Table 6.2C | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 0.920 | 0.632 | 0.671 | 1.463 |
| 2015 | 0.854 | 0.555 | 0.550 | 1.358 |
| 2016 | 0.871 | 0.554 | 0.561 | 1.385 |
| 2017 | 0.866 | 0.712 | 0.838 | 1.377 |
| 2018 | 0.925 | 0.620 | 0.704 | 1.471 |
| Average | 0.887 | 0.614 | 0.665 | 1.41 |
| Trend | 0.5% | (1.9%) | 4.8% | 0.5% |

Notes:
All amounts are in million gallons unless provided otherwise.

### Service Performance

San Diego County SD is presently operating at 88.7% capacity within the Winter Gardens service area relative to the wheeling agreement with the City of El Cajon to convey sewer to the Point Loma Facility.

San Diego County SD is currently operating with available – albeit modest – capacity within its Winter Gardens service area in accommodating exiting estimated user demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 73.9% of the contracted capacity assigned to the service area by the District via METRO for treatment and discharge at the Point Loma Facility. The capacity to wheel wastewater through El Cajon, however, is more limited with average day flows over the report period representing 88.7% of its contract capacity with the City. These available capacities – while sufficient at this time – merit attention in the near term with respect to the ability to accommodate existing as well as additional demands within the service area.

## D. East Otay Mesa

### System Overview

San Diego County SD's service area in East Otay Mesa currently includes 13 active connections as of the end of the report period and accounts for 0.4% of the total number of connections within the District. The wastewater system's origins date back to 1999 with the formation of the predecessor agency for the system, the East Otay Sewer Maintenance District. The service area is approximately 4.1 square miles in size and immediately north of the international border with Mexico and near Otay Mesa Road's intersection with State Highway 125 in southeast San Diego County. All wastewater collected in the service area is generally conveyed by gravity to adjacent METRO infrastructure and subsequently to the Point Loma Facility for advanced secondary treatment and ocean discharge.[13]

**East Otay Mesa Service Area | Active Wastewater Connections**
Table 6.1D | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 0 | 9 | 9 |
| 2015 | 0 | 11 | 11 |
| 2016 | 0 | 14 | 14 |
| 2017 | 0 | 13 | 13 |
| 2018 | 0 | 13 | 13 |
| Average | 0 | 12 | 12 |
| Trends | - | 44.4% | 44.4% |

[13] No other flows enter the combined service area from outside agencies.

## System Capacities

The East Otay Mesa service area's maximum daily capacity to convey wastewater to the Point Loma Facility for treatment and disposal is 1.000 million gallons.

The East Otay Mesa service area's maximum daily wastewater capacity to convey collected sewage to the Point Loma Facility for subsequent treatment and disposal is 1.000 million gallons. This amount is specific to the San Diego County SD share allocated to East Otay Mesa and equals 5.7% of the total daily capacity contracted to the District as a signatory of METRO. All related infrastructure – including pipeline sizes – are designed towards aligning with this capacity at the Point Loma Facility.

## System Demands

Average annual wastewater flows generated during the report period in the East Otay Mesa service area has been 80.4 million gallons; an amount that translates to 0.220 million gallons per day.

The East Otay Mesa service area's average annual wastewater collection demand generated during the five-year report period and for ultimate treatment and disposal at the Point Loma Facility has been approximately 80.4 million gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 0.220 million gallons. It also translates over the report period to an estimated 16,923 gallons per day for each connection. (There are no residential users within the service area.) Average annual wastewater demands overall during the report period have decreased by (0.5%).

Supplementary micro measurements of recent wastewater demands within East Otay Mesa are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within East Otay Mesa have been 0.220 million gallons. This flow typically is recorded between May and October and has been largely consistent year to year and most recently tallied 0.220 million gallons as of the report term. The overall change has been (0.5%) over the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within East Otay Mesa have been 0.317 million gallons. This flow typically is recorded between November and April and has been largely consistent year to year and most recent tallied 0.317 million gallons as of the report term. The overall change has been (0.3%) over the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within East Otay Mesa have been 0.350 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.59.

**East Otay Mesa | Recent Wastewater Demands**
Table 6.2D | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 0.221 | 0.221 | 0.318 | 0.351 |
| 2015 | 0.219 | 0.219 | 0.315 | 0.348 |
| 2016 | 0.220 | 0.220 | 0.317 | 0.350 |
| 2017 | 0.220 | 0.222 | 0.320 | 0.353 |
| 2018 | 0.220 | 0.220 | 0.317 | 0.350 |
| Average | 0.220 | 0.220 | 0.317 | 0.350 |
| Trend | (0.5%) | (0.5%) | (0.3%) | (0.5%) |

Notes:
All amounts are in million gallons unless provided otherwise

### Service Performance

San Diego County SD is presently operating at 22.0% capacity within the East Otay Mesa service area.

San Diego County SD is currently operating with sufficient and excess capacity within its East Otay Mesa service area in accommodating exiting estimated user demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 22.0% of the contracted capacity assigned to the service area by the District via METRO for treatment and discharge at the Point Loma Facility. This available capacity and excess therein is not expected to substantively deviate over the next five-year period, but is expected to change over a longer period in conjunction with the area's planned development as an transport center for goods entering from and/or into Mexico.

## E. Campo

### System Overview

San Diego County SD's service area in Campo currently includes 251 active connections as of the end of the report period and accounts for 0.7% of the total number of District connections. The wastewater system's origins date back to 1945 with the formation of the predecessor agency for the system, the Campo Sewer Maintenance District. The service area is 0.7 square miles in size and lies 50 miles east of the City of El Cajon along State Highway 94 near the international border in southeast San Diego County. All wastewater collected is conveyed entirely by gravity to the adjacent Rancho Del Campo Facility for secondary treatment and discharge into percolation ponds.

**Campo Service Area | Active Wastewater Connections**
Table 6.1E | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 234 | 8 | 242 |
| 2015 | 230 | 9 | 239 |
| 2016 | 235 | 7 | 242 |
| 2017 | 237 | 9 | 246 |
| 2018 | 243 | 8 | 251 |
| Average | 236 | 8 | 244 |
| Trends | 3.9% | 0.0% | 3.7% |

## System Capacities

The Campo service area's maximum daily capacity at the Rancho Del Campo Facility is 0.133 million gallons.

The Campo service area's maximum daily wastewater treatment and discharge at the Rancho Del Campo Facility is 0.113 million gallons. All related infrastructure – including pipeline sizes – are designed towards aligning with this capacity.

## System Demands

Average annual wastewater flows generated during the report period in the Campo service area has been 16.936 million gallons; an amount that translates to 0.046 million gallons per day.

The Campo service area's average annual wastewater demand (collection, treatment, and discharge) generated during the five-year report period has been approximately 16.936 million gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 0.046 million gallons. It also translates over the report period to an estimated 87.7 gallons per day for each resident or 515.4 gallons per day for each occupied housing unit; it also translates to 183.3 gallons for every service connection. Average annual demands overall during the report period have decreased by (0.5%).

Supplementary micro measurements of recent wastewater demands within Campo are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Campo have been 0.039 million gallons. This flow typically is recorded between May and October and most recently tallied 0.040 million gallons as of the report term with an overall change of (9.3%) during the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Campo have been 0.049 million gallons. This flow typically is recorded between November and April and most recently tallied 0.054 million gallons as of the report term with an overall change of 12.5% during the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Campo have been 0.074 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.61.

**Campo | Recent Wastewater Demands**
Table 6.2E | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 0.044 | 0.044 | 0.048 | 0.071 |
| 2015 | 0.044 | 0.039 | 0.050 | 0.069 |
| 2016 | 0.040 | 0.038 | 0.045 | 0.063 |
| 2017 | 0.045 | 0.037 | 0.050 | 0.072 |
| 2018 | 0.059 | 0.040 | 0.054 | 0.094 |
| Average | 0.046 | 0.039 | 0.049 | 0.074 |
| Trend | 32.9% | (9.3%) | 12.5% | 32.9% |

Notes:
All amounts are in million gallons unless provided otherwise.

### Service Performance

San Diego County SD is presently operating at 34.6% capacity within the Campo service area.

San Diego County SD is currently operating with sufficient and excess capacity within its Campo service area in accommodating exiting estimated user demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 40.7% of the current treatment and discharge capacity at the Rancho del Campo Facility. This available capacity and excess therein is not expected to substantively change over the next five-year period.

## F. Julian

### System Overview

San Diego County SD's service area in Julian currently includes 105 active connections as of the end of the report period and accounts for 0.3% of the total number of District connections. The wastewater system's origins date back to 1945 with the formation of the predecessor agency for the system, the Julian Sanitation District. The service area is 0.4 square miles in size and lies 35 miles northeast of the City of Poway and encompasses the downtown Julian community in northeast San Diego County. All wastewater is conveyed by gravity without public pump stations to the adjacent Julian Wastewater Facility for secondary treatment and discharge through spray irrigation of District lands.

**Julian Service Area | Active Wastewater Connections**
Table 6.1F | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 50 | 51 | 101 |
| 2015 | 50 | 55 | 105 |
| 2016 | 50 | 55 | 105 |
| 2017 | 50 | 55 | 105 |
| 2018 | 50 | 55 | 105 |
| Average | 50 | 54 | 104 |
| Trends | - | 7.8% | 4.0 |

## System Capacities

The Julian service area's maximum daily wastewater treatment and discharge at the Julian Wastewater Facility is 0.040 million gallons. All related infrastructure – including pipeline sizes – are designed towards aligning with this capacity.

The Julian service area's maximum daily capacity at the Julian Wastewater Facility is 0.040 million gallons.

## System Demands

The Julian service area's average annual wastewater demand (collection, treatment, and discharge) generated during the five-year report period has been approximately 8.789 million gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 0.024 million gallons. It also translates over the report period to an estimated 159.4 gallons per day for each resident or 333.2 gallons per day for each occupied housing unit; it also translates to 228.6 gallons for every service connection. Average annual demands overall during the report period have increased 11.2% despite an effective moratorium on new connections as detailed in the accompanying footnote.[14]

Average annual wastewater flows generated during the report period in the Julian service area has been 8.789 million gallons; an amount that translates to 0.024 million gallons per day.

Supplementary micro measurements of recent wastewater demands within Julian are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Julian have been 0.022 million gallons. This flow typically is recorded between May and October and most recently tallied 0.021 million gallons as of the report term with an overall change of (8.7%) during the 60-month period.

[14] In June 1989, the Board of Supervisors approved Policy I-113 and placed restrictions on future sewer connections in Julian. These restrictions were augmented in November 2015 to allow for the transfer of assigned sewer capacity between parcels when property owners agree and the transfer will not result in total flows to the treatment plant that cause an exceedance of permitted capacity.

- Average daily wet-weather wastewater flows over the five-year report period within Julian have been 0.027 million gallons. This flow typically is recorded between November and April and most recently tallied 0.025 million gallons as of the report term with no overall change during the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Julian have been 0.038 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.58.

**Julian | Recent Wastewater Demands**
Table 6.2F | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 0.023 | 0.023 | 0.025 | 0.037 |
| 2015 | 0.022 | 0.018 | 0.027 | 0.036 |
| 2016 | 0.023 | 0.021 | 0.028 | 0.036 |
| 2017 | 0.026 | 0.026 | 0.029 | 0.042 |
| 2018 | 0.026 | 0.021 | 0.025 | 0.041 |
| Average | 0.024 | 0.022 | 0.027 | 0.038 |
| Trend | 11.2% | (8.7%) | - | 11.2% |

Notes:
All amounts are in million gallons unless provided otherwise.

### Service Performance

San Diego County SD is currently operating with sufficient and excess capacity within its Julian service area in accommodating exiting estimated user demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 60.0% of the current treatment and discharge capacity at the Julian Wastewater Facility. This available capacity and excess therein is not expected to substantively change over the next five-year period.

San Diego County SD is presently operating at 60.0% capacity within the Julian service area.

## G. Pine Valley

### System Overview

San Diego County SD's service area in Pine Valley currently includes 53 active connections as of the end of the report period and accounts for 0.1% of the total number of District connections. The wastewater system's origins date back to 1968 with the formation of the predecessor agency for the system, the Pine Valley Sanitation District. The service area is 0.08 square miles in size and lies 30 miles east of the City of El Cajon and along Old State Highway 80 off of Interstate 8 in southeast San Diego County. All wastewater

collected is conveyed by gravity without public pump stations to the adjacent Pine Valley Wastewater Facility for secondary treatment and discharge into percolation ponds.

**Pine Valley Service Area | Active Wastewater Connections**
Table 6.1G | Source: San Diego Sanitation SD

| Year | Residential | Non-Residential | Total |
|---|---|---|---|
| 2014 | 40 | 9 | 49 |
| 2015 | 42 | 9 | 51 |
| 2016 | 42 | 9 | 51 |
| 2017 | 42 | 10 | 52 |
| 2018 | 43 | 10 | 53 |
| Average | 42 | 9 | 51 |
| Trends | 7.5% | 11.1% | 8.2% |

## System Capacities

The Pine Valley service area's maximum daily wastewater treatment and discharge at the Pine Valley Wastewater Facility is 0.040 million gallons. All related infrastructure – including pipeline sizes – are designed towards aligning with this capacity.

The Pine Valley service area's maximum daily capacity at the Pine Valley Wastewater Facility is 0.040 million gallons.

## System Demands

The Pine Valley service area's average annual wastewater demand (collection, treatment, and discharge) generated during the five-year report period has been approximately 3.270 million gallons. This amount serves as a macro overview of system demands and represents a daily average flow of 0.0090 gallons. It also translates over the report period to an estimated 178.3 gallons per day for each resident or 324.0 gallons per day for each occupied housing unit; it also translates to 162.3 gallons for every service connection. Average annual demands overall during the report period have increased 3.5%.

Average annual wastewater flows generated during the report period in the Pine Valley service area has been 3.270 million gallons; an amount that translates to 8,960 gallons per day.

Supplementary micro measurements of recent wastewater demands within Pine Valley are summarized below and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within Pine Valley have been 8,680 gallons. This flow typically is recorded between May and October and most recently tallied 8,800 million gallons as of the report term with an overall change of (17.0%) during the 60-month period.

- Average daily wet-weather wastewater flows over the five-year report period within Pine Valley have been 11,560 gallons. This flow typically is recorded between November and April and most recently tallied 8,900 gallons as of the report term with an overall change of (19.1%) during the 60-month period.

- Average daily peak-day wastewater flows over the five-year report period within Pine Valley have been 14,246 gallons. This latter amount produces a peak-factor relative to average day demands of 1.59.

**Pine Valley | Recent Wastewater Demands**
Table 6.2G | Source: San Diego County SD

| Year | Average Average Daily Flows | Average Dry-Weather Flows | Average Wet-Weather Flows | Recorded Peak-Day Flows |
|---|---|---|---|---|
| 2014 | 8,603 | 10,600 | 11,000 | 14,000 |
| 2015 | 8,111 | 6,900 | 9,800 | 13,000 |
| 2016 | 10,411 | 7,500 | 17,700 | 17,000 |
| 2017 | 8,795 | 9,600 | 10,400 | 14,000 |
| 2018 | 8,904 | 8,800 | 8,900 | 14,000 |
| Average | 8,960 | 8,680 | 11,560 | 14,246 |
| Trend | 3.5% | (17.0%) | (19.1%) | 3.5% |

### Service Performance

San Diego County SD is presently operating at 22.5% capacity within the Pine Valley service area.

San Diego County SD is currently operating with sufficient and excess capacity within its Pine Valley service area in accommodating exiting estimated user demands generated during the five-year report period. This statement is substantiated with average day demands during the report period equaling 22.5% of the current treatment and discharge capacity at the Pine Valley Wastewater Facility. This available capacity and excess therein is not expected to substantively change over the next five-year period.

## 7.0 FINANCES

### 7.1 Financial Statements

The County of San Diego Auditor-Controller prepares annual financial statements for the San Diego County SD. These statements are subsequently reviewed as part of an outside audit process for conformance with established governmental accounting standards. This includes vetting the statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing San Diego County SD's short and long-term fiscal health with specific focus on sustaining its single service activity: wastewater. The current outside accounting consultant – Vavrinek, Trine, Day & Company – has prepared annual reviews throughout the report period.

San Diego County SD's most recent financial statements for the report period were issued for 2017-2018. These statements show San Diego County SD experienced a negative change over the prior fiscal year as its overall net position (regular accrual basis) for all activities decreased by (2.9%) from $122.2 million to $118.7 million and primarily attributed to an increase in current liabilities and specifically within accounts payable. The accompanying auditor's report did not identify any 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 (2017-2018) | |
|---|---|
| Assets + Deferred Outflows | $131,054,000 |
| Liabilities + Deferred Inflows | $12,393,000 |
| Net Position | $118,661,000 |

## Agency Assets

San Diego County SD's audited assets at the end of 2017-2018 totaled $128.2 million and finished 0.3% higher than the average year-end amount of $127.8 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented roughly two-fifths of the total amount – or $50.3 million – and almost entirely tied to cash and investments. Assets classified as non-current and not readily liquid make up the remaining three-fifths of the total – or $77.9 million and entirely tied to capital with four-fifths of this amount involving sewer collection systems. Overall assets for San Diego County SD have decreased by (1.2%) over the corresponding 60-month period.

San Diego County SD's assets overall have decreased by (1.2%) during the report period. This overall decrease is primarily tied to an internal decline of (13.0%) in cash and investments.

**San Diego County SD | Audited Assets over Report Period**
Table 7.1a | Source: County of San Diego

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Current | $ 57,883,000 | $ 57,535,000 | $ 55,418,000 | $ 58,422,000 | $ 50,300,000 | (13.1%) | $ 55,911,600 |
| Non-Current | $ 71,938,000 | $ 70,152,000 | $68,573,000 | $ 70,818,000 | $ 77,926,000 | 8.3% | $ 71,881,400 |
| | $129,821,000 | $127,687,000 | $123,991,000 | $129,240,000 | $128,226,000 | (1.2%) | $ 127,793,000 |

## Agency Liabilities

San Diego County SD's audited liabilities at the end of 2017-2018 totaled $11.8 million and finished is 58.2% higher than the average year-end amount of $7.5 million documented during the five-year report period. Liabilities classified as current and representing obligations owed in the near-term accounted for one-third of the amount and primarily tied to

San Diego County SD's liabilities overall have increased by 976.5% during the report period with three-fifths tied to now booking pension obligations. The adjusted change in liabilities less pension obligations is 231.7%.

accounts payable. Liabilities classified as non-current and representing long-term obligations account for the remaining two-thirds of the total and predominately associated with booking pension obligations beginning in 2014-2015. Excluding pension obligations reduces the overall increase in liabilities during the corresponding 60-month period by two-fifths from 976.5% to 231.7%.

**San Diego County SD | Audited Liabilities over Report Period**
Table 7.1b | Source: County of San Diego

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Current | $ 971,000 | $ 2,553,000 | $ 557,000 | $ 1,618,000 | $ 3,509,000 | 261.4% | $ 1,841,600 |
| Non-Current | $ 132,000 | $ 4,533,000 | $ 6,021,000 | $ 9,271,000 | $ 8,365,000 | 6237.1% | $ 5,664,400 |
| | $ 1,103,000 | $ 7,086,000 | $ 6,578,000 | $ 10,889,000 | $ 11,874,000 | 976.5% | $ 7,506,000 |

## Net Position

San Diego County SD's audited net position or equity at the end of 2017-2018 totaled $118.7 million and represents the difference between the District's total assets and total liabilities along with adjusting for deferred resources. This most recent year-end amount is (2.5%) lower than the average year-end sum of $121.7 million documented during the five-year report period. Two-thirds of the ending net position – or $77.9 million – is tied to capital assets. Overall the net position has decreased by (7.8%) over the corresponding 60-month period and without adjusting for new pension and benefit reporting requirements. Adjusting the net position to exclude pension obligations the overall change is (1.4%).

San Diego County SD's net position has steadily decreased during the report period with an overall change of (7.8%) from $128.7 million to $118.7 million. The overall decrease in the net position – however – adjusts to (1.4%) ending at $126.9 million if excluding pension obligations.

**San Diego County SD | Audited Net Position over Report Period**
Table 7.1c | Source: County of San Diego and San Diego LAFCO

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Invested in Capital | $71,938,000 | $70,152,000 | $68,573,000 | $70,818,000 | $77,926,000 | 8.3% | $71,881,400 |
| Unrestricted | $56,780,000 | $50,107,000 | $50,089,000 | $51,356,000 | $40,735,000 | (28.3%) | $49,813,400 |
| | $128,718,000 | $120,259,000 | $118,662,000 | $122,174,000 | $118,661,000 | (7.8%) | $121,694,800 |
| Adjusted … | $128,718,000 | $124,665,000 | $124,560,000 | $131,303,000 | $126,876,000 | (1.4%) | $127,224,400 |

Note:
The adjustment adds monies to the net position otherwise booked as liabilities involving pension obligations.

San Diego County SD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled $40.7 million and represents the available and spendable portion of the fund balance and subject to discretionary designations. This unrestricted amount represents 15 months of

actual operating expenses and increases to 18 months when adjusted to exclude booked pension and benefit liabilities based on actual expenses in 2017-2018.

## 7.2 Measurements | Liquidity, Capital, Margin, and Structure

San Diego County SD experienced downward financial changes in all four measured categories – liquidity, capital, margin, and structure – utilized in this document. The substantive effect is a decrease in the operating reserve ratio of (38.1%).

A review of the audited financial statement issuances by San Diego County SD covering the five-year report period shows the District generally experienced downward financial changes in all four measured categories – liquidity, capital, margin, and structure – utilized in this document. This includes sizable decreases in liquidity and capital and marked by current ratio declining by three-fourths and debt ratio increasing by more than ten-fold. It also includes margin levels finishing four of the five fiscal years in deficits and produced an average total margin for the entire period of (5.5%), albeit with a slight trend improvement of 0.9%. The operating reserve ratio – i.e., the percent of funds available to cover cash shortages and/or emergencies – also decreased during the period by (38.1%). A summary of year-end liquidity, capital, margin, and administration structure ratios follow.

**San Diego County SD**
**Financial Measurements**
Table 7.2 | 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 |
|---|---|---|---|---|---|---|---|---|
| 2013-2014 | 59.6 | 799.4 | 0.9% | 0.1% | (11.4%) | (12.6%) | 201.4% | 21.4 |
| 2014-2015 | 22.6 | 734.6 | 6.4% | 4.8% | (13.1%) | (14.0%) | 163.8% | 20.1 |
| 2015-2016 | 99.5 | 758.4 | 5.6% | 5.5% | (6.4%) | (7.8%) | 174.0% | 21.5 |
| 2016-2017 | 36.1 | 908.7 | 8.4% | 7.9% | 12.9% | 12.1% | 200.9% | 22.5 |
| 2017-2018 | 14.3 | 600.5 | 9.5% | 7.5% | (11.3%) | (14.2%) | 124.7% | 22.1 |
| Average | 46.4 | 760.3 | 6.2% | 5.1% | (5.5%) | (7.0%) | 170.8% | 21.5 |
| Trend | (76.0%) | (24.9%) | 1013.0% | 7200.1% | 0.9% | (12.7%) | (38.1%) | 3.3% |
| | Liquidity | | Capital | | Margin | | Structure | |

## 7.3 Pension Obligations

San Diego County SD through its dependent status under the County of San Diego provides a defined pension benefit plan to employees through an investment risk-pool contract with the San Diego County Employees' Retirement Association (SDCERA). This pension contract provides employees divided between safety and general with specified retirement benefits and includes annual cost-of-living adjustments. Actual pension benefits are based on the date of hire and assignment therein to one of five tiers – 1, A, B, C, and D – with a formula

range between a low of 1.67% at age 62 (D) to a high of 3.0% at age 55 (B).[15]

## Funded Status

The County of San Diego's composite unfunded pension liability at the end of 2017-2018 totaled $3.488 million (2017-2018). This amount – which reflects the monies owned and not covered by assets – finished nearly one-tenth higher than the five-year report period average and translates to a funding ratio of 77.9% based on market value. Overall the County's funded ratio decreased by (6.5%) during the report period.

**County of San Diego | Pension Funding Status**
Table 7.3 | Source: SDCERA

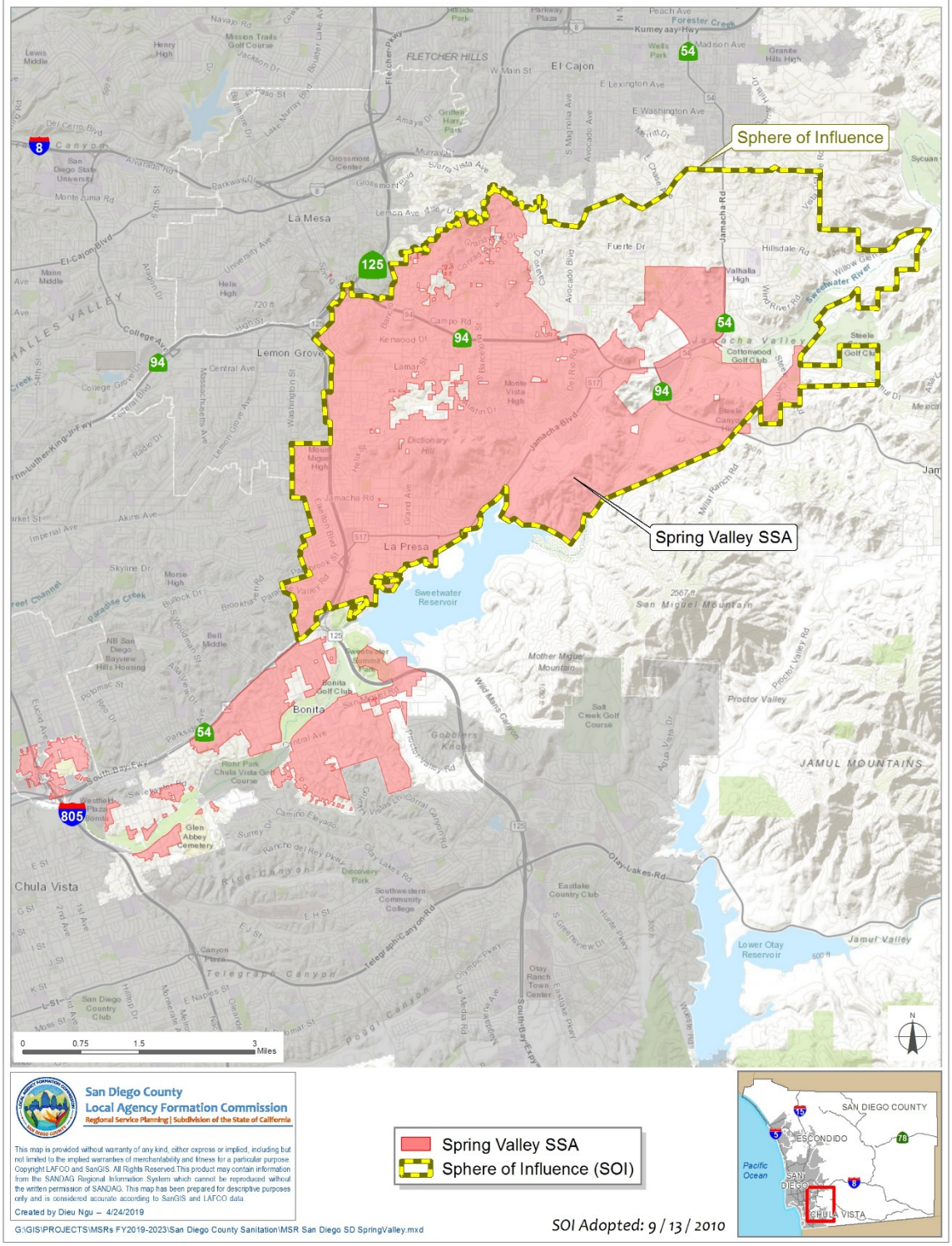
| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Pension Assets | 10,109,908 | 10,285,947 | 10,253,230 | 11,395,274 | 12,274,477 | 21.4% | 10,863,767 |
| Pension Liabilities | 12,141,149 | 13,080,080 | 14,437,090 | 14,937,872 | 15,763,237 | 29.8% | 14,071,886 |
| Unfunded Liability | 2,031,241 | 2,794,133 | 4,095,860 | 3,542,598 | 3,488,760 | 71.8% | 3,190,518 |
| Funded Ratio | 83.3% | 78.6% | 71.5% | 76.3% | 77.9% | (6.5%) | 77.5% |

*Market Valuation*

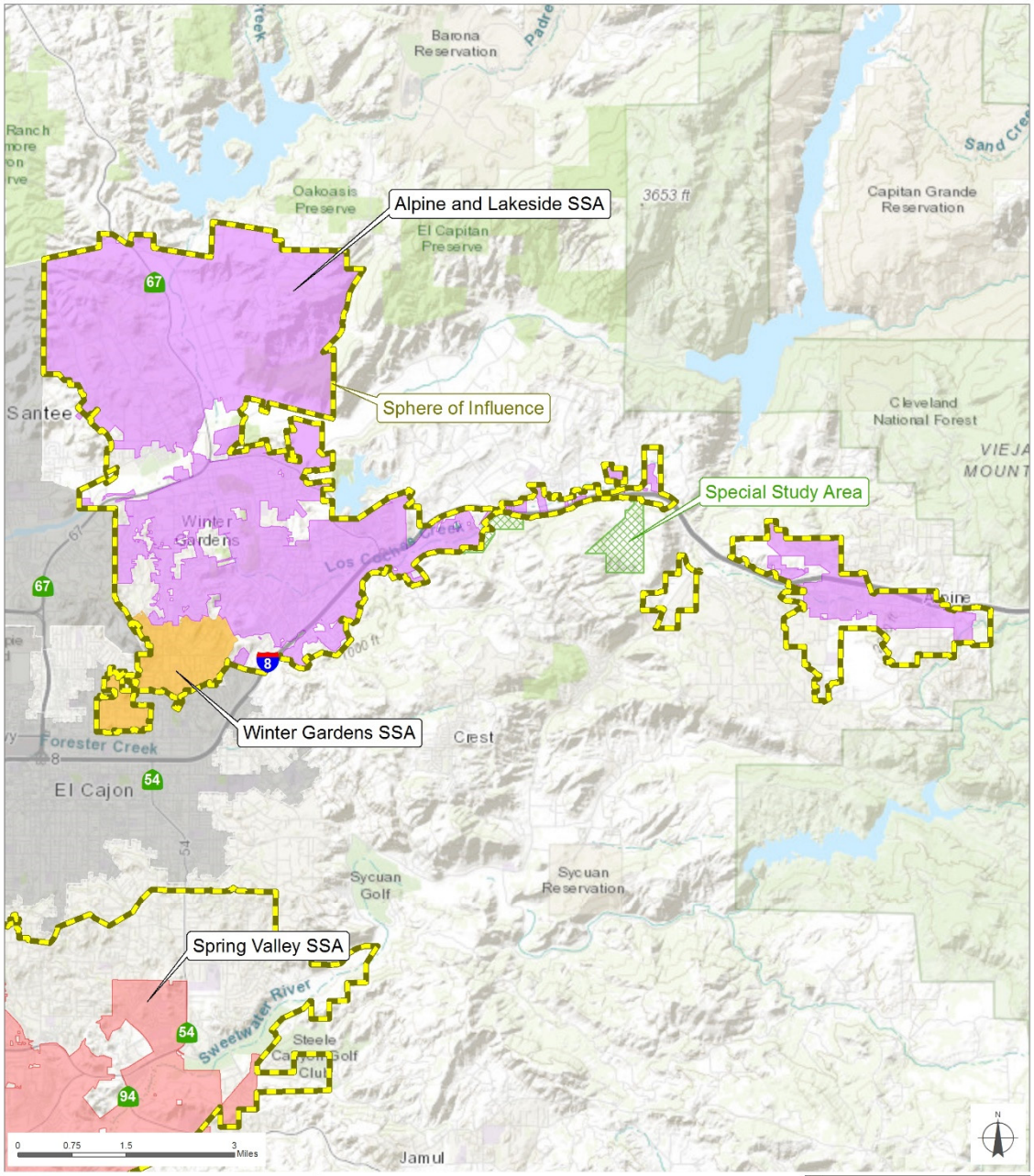
[15] All new employees are assigned to Tier D and after 30 years of service will be eligible to receive an annual pension payment equal to 50.1% of their highest average salary over a year-year period beginning at age 62.

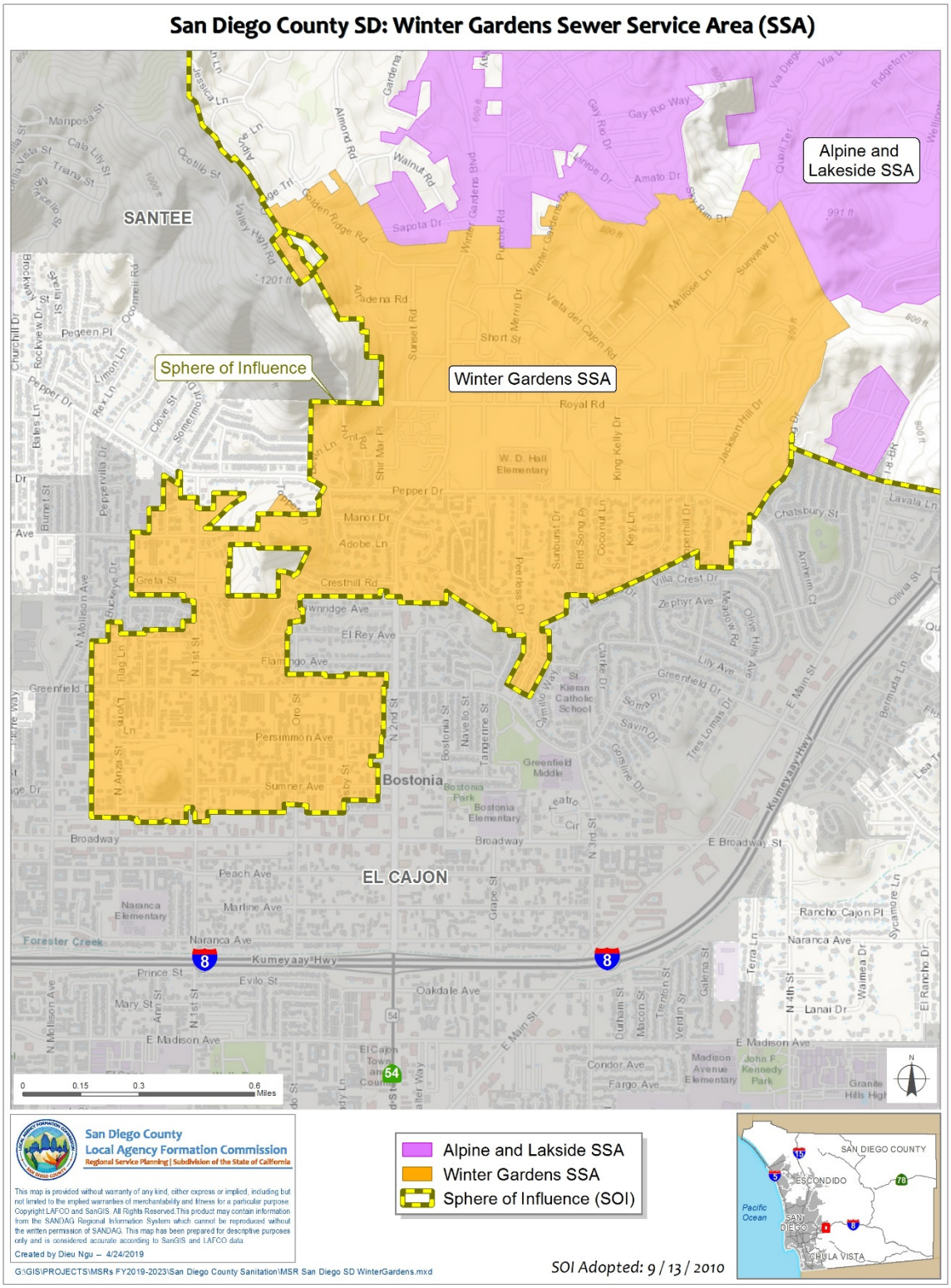
# Appendix A | Boundary Maps

## San Diego County SD: Spring Valley Sewer Service Area (SSA)

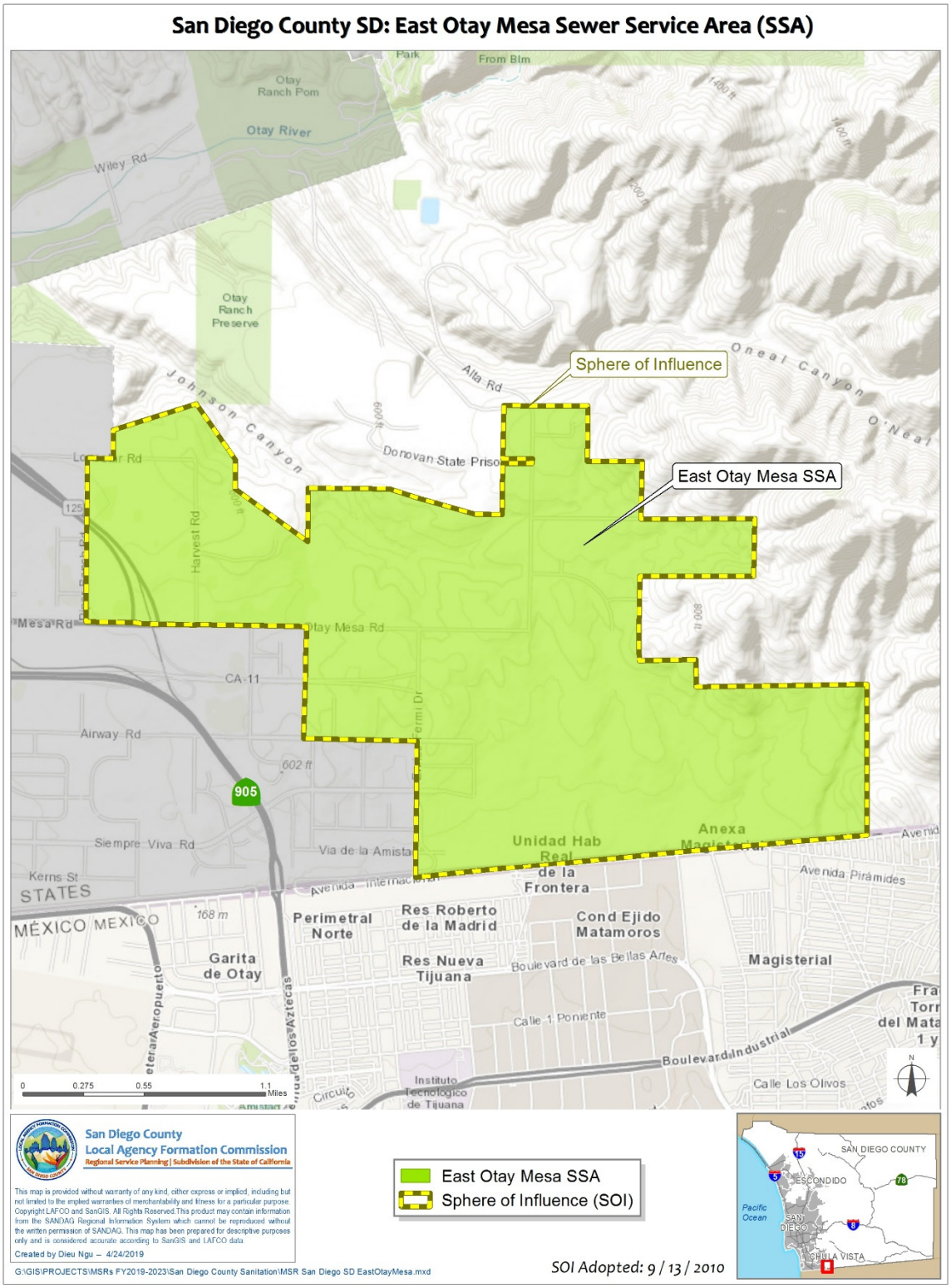


## San Diego County SD: Alpine and Lakeside Sewer Service Area (SSA)




San Diego County SD: Winter Gardens Sewer Service Area (SSA)
Alpine and Lakeside SSA
Sphere of Influence
Winter Gardens SSA
SANTEE
Bostonia
EL CAJON
0 0.15 0.3 0.6 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 – 4/24/2019
G:\GIS\PROJECTS\MSRs FY2019-2023\San Diego County Sanitation\MSR San Diego SD WinterGardens.mxd
Alpine and Lakside SSA
Winter Gardens SSA
Sphere of Influence (SOI)
SOI Adopted: 9 / 13 / 2010
SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

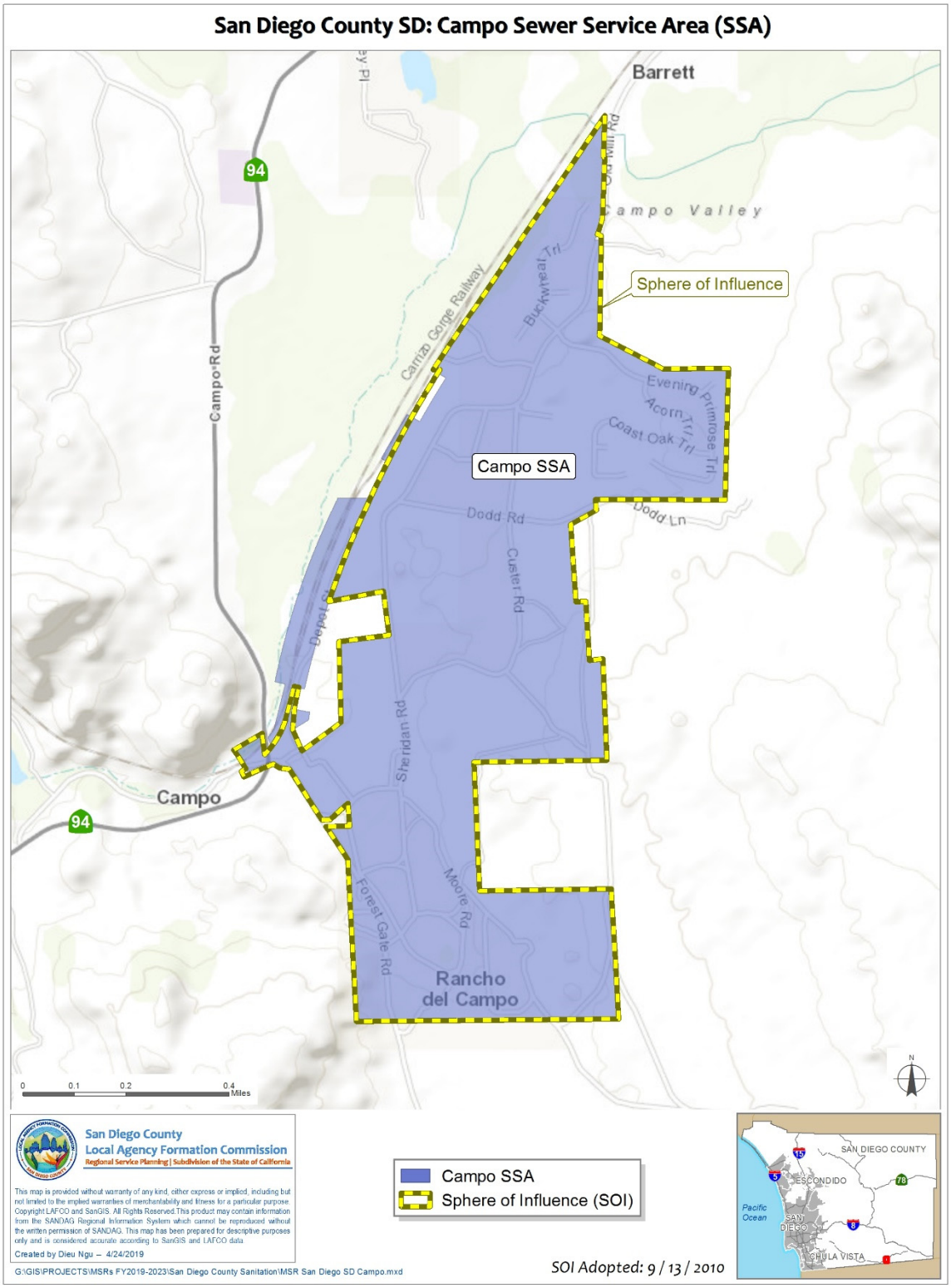
## San Diego County SD: East Otay Mesa Sewer Service Area (SSA)



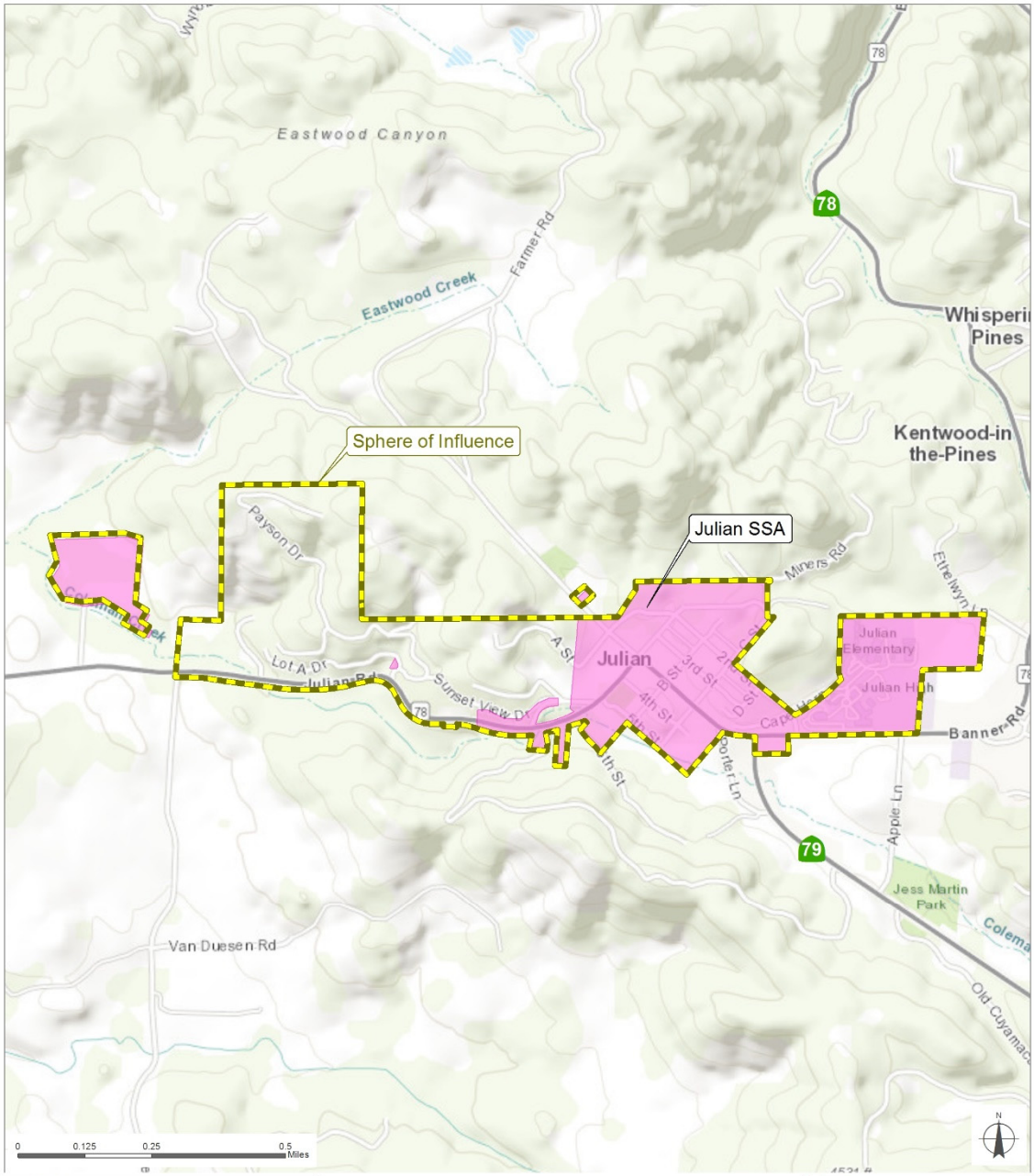

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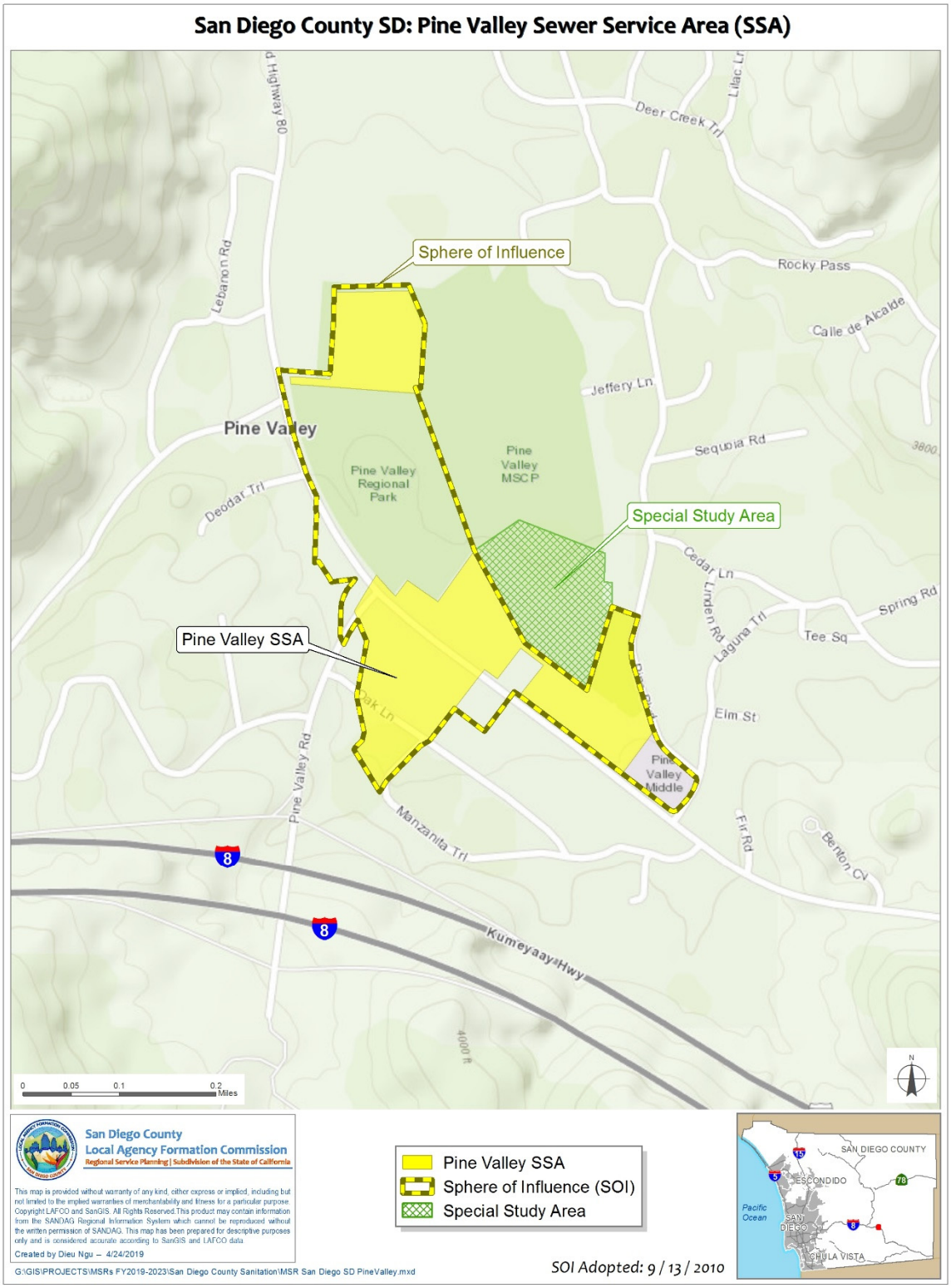
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San Diego County SD: Campo Sewer Service Area (SSA)
Barrett
Campo Valley
Sphere of influence
Campo SSA
Campo Rd
Campo
Rancho del Campo
Dodd Rd
Dodd Ln
Custer Rd
Sheridan Rd
Moore Rd
Forest Gate Rd
Buckwheat Trl
Evening Primrose Trl
Acorn Trl
Coast Oak Trl
Campo Gorge Railway
94
0 0.1 0.2 0.4 Miles
N
San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Campo SSA
Sphere of Influence (SOI)
SOI Adopted: 9 / 13 / 2010
SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

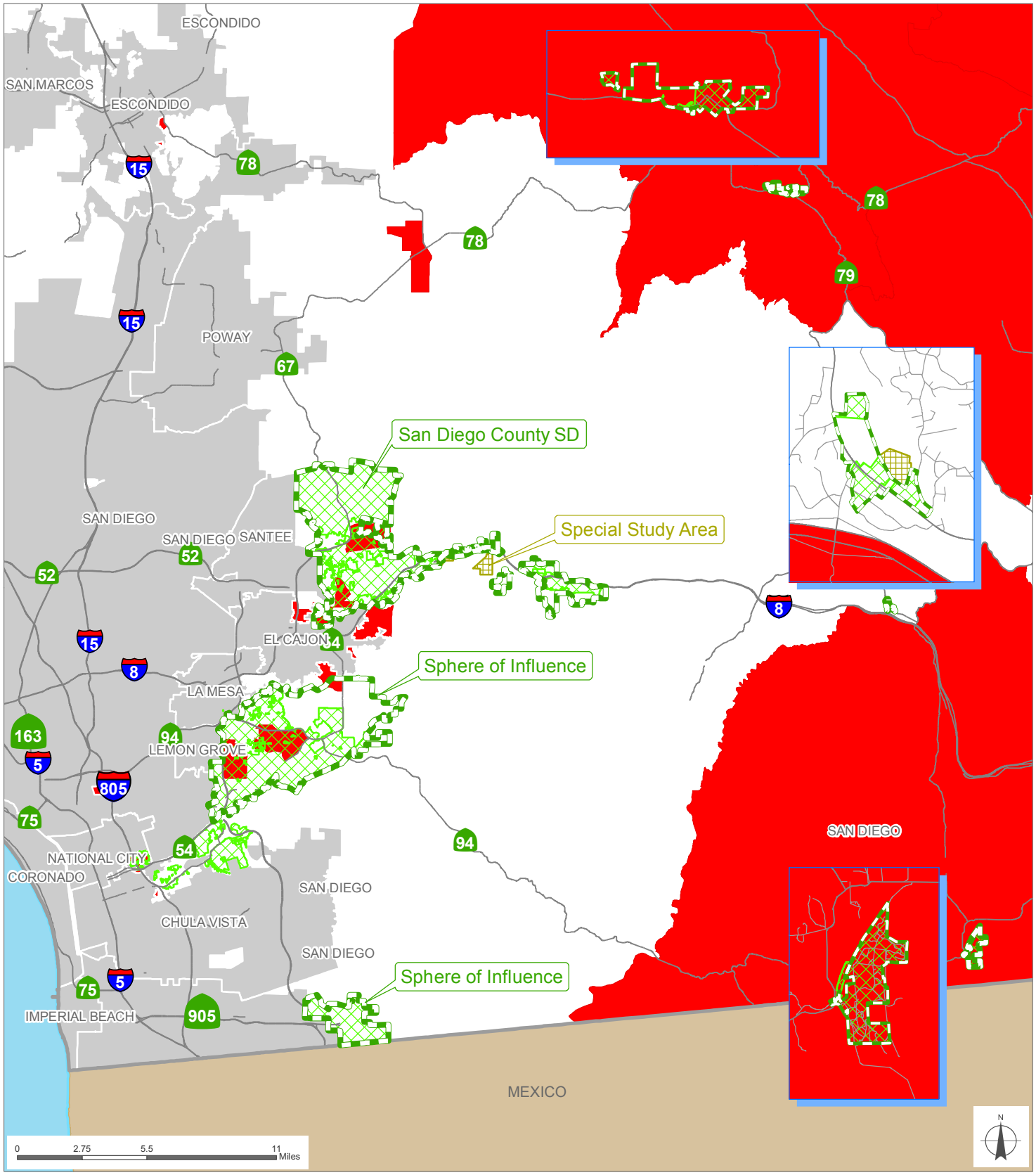
## San Diego County SD: Julian Sewer Service Area (SSA)




San Diego County SD: Pine Valley Sewer Service Area (SSA)
Sphere of Influence
Special Study Area
Pine Valley SSA
Pine Valley
Pine Valley Regional Park
Pine Valley MSCP
Pine Valley Middle
Deer Creek Trl
Lilac Ln
Rocky Pass
Calle de Alcalde
Jeffery Ln
Sequoia Rd
Deodar Trl
Cedar Ln
Linden Rd
Laguna Trl
Tee Sq
Spring Rd
Elm St
Oak Ln
Pine Valley Rd
Manzanita Trl
Fir Rd
Benton Cv
Kumeyaay Hwy
Lebanon Rd
0 0.05 0.1 0.2 Miles
N
San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
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Created by Dieu Ngu – 4/24/2019
G:\GIS\PROJECTS\MSRs FY2019-2023\San Diego County Sanitation\MSR San Diego SD PineValley.mxd
Pine Valley SSA
Sphere of Influence (SOI)
Special Study Area
SOI Adopted: 9 / 13 / 2010
SAN DIEGO COUNTY
ESCONDIDO
Pacific Ocean
SAN DIEGO
CHULA VISTA

# Appendix B
# Disadvantaged Unincorporated Communities (DUC) Maps

# 2016 Disadvantaged Unincorporated Communities (DUC): San Diego County SD [MAP 1 of 2]





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



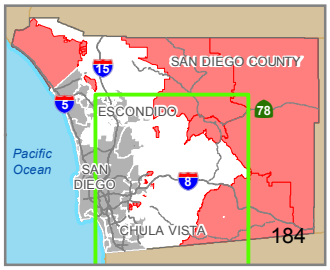
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2016 DUC Annual Median Houshold Income

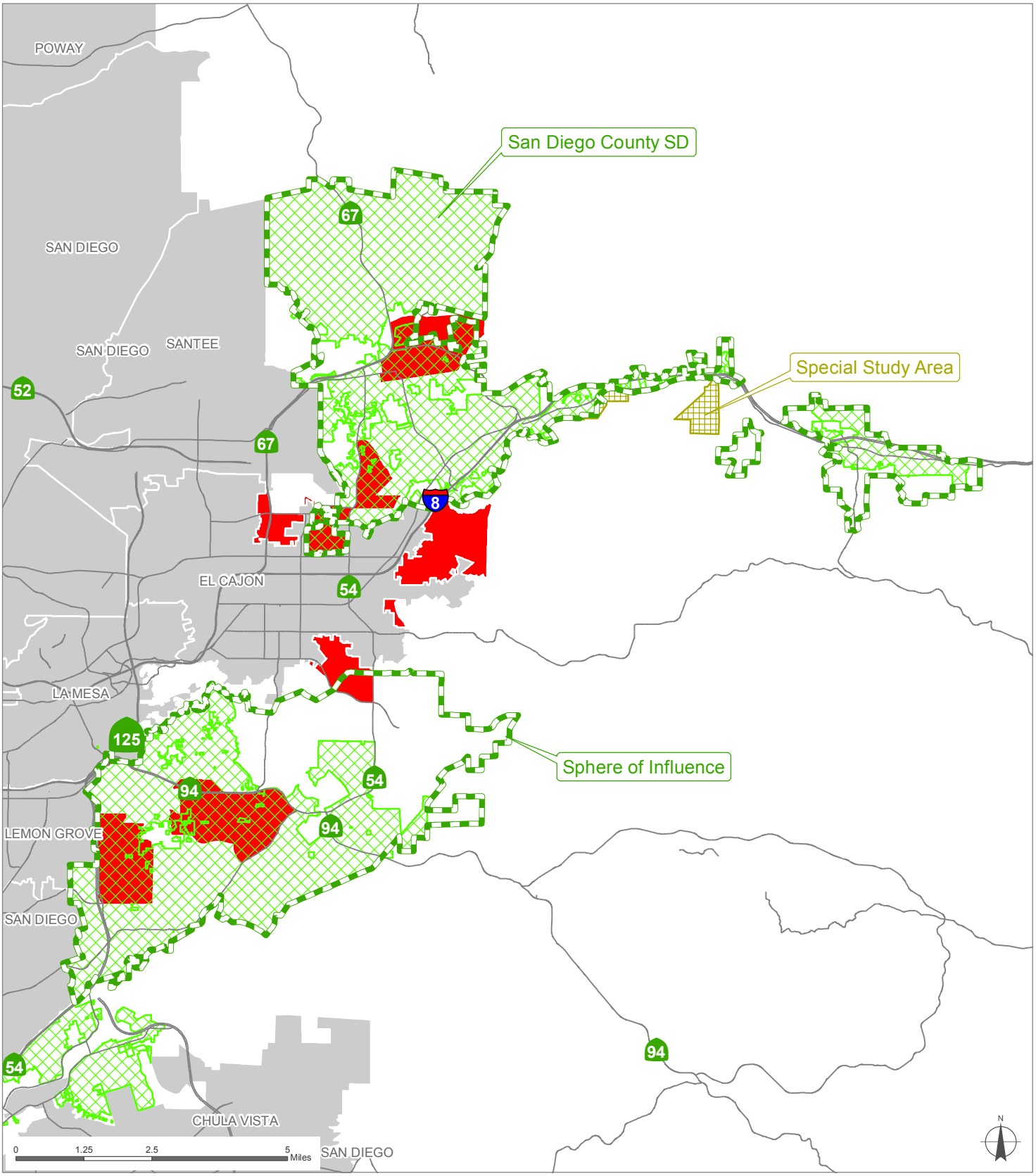
Qualifying Census Tracts ($54,191 or less)

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.




G:\GIS\PROJECTS\Disadvantage community\2016 Data Maps\Districts\DUC 2016 data SD San Diego County L2019.mxd

# 2016 Disadvantaged Unincorporated Communities (DUC): San Diego County SD [MAP 2 of 2]




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

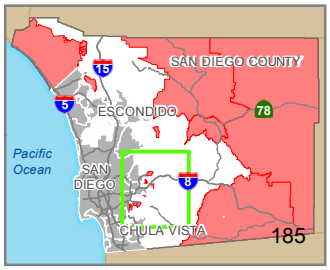
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2016 DUC Annual Median Houshold Income

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.




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## Outside Sources

### Agency Contacts

San Diego County Sanitation District
Daniel Brogadir, Public Works Manager

San Diego County Sanitation District
Susan Spotts, Administrative Analyst II

San Diego County Sanitation District
Kyehee Kim, Civil Engineer

**Websites**

American Community Survey / Demographic Information
www.census.gov

California Public Employees Retirement System / Local Agency Pension Information
www.calpers.ca.gov

Environmental Systems Research Institute
www.esri.com

California Integrated Water Quality System
www.ciwqs.waterboards.ca.gov

East County Advanced Water Purification
www.eastcountyawp.com

**Publications / Documents**

San Diego County Sewer Master Plans

Black & Veatch – Wastewater Cost of Service Charge Study

County of San Diego Comprehensive Annual Financial Reports (CAFR)

San Diego Local Agency Formation Commission –

2007 Municipal Service Review and Sphere of Influence Update
2010 San Diego County Sanitation District Reorganization
2010 Municipal Service Review and Sphere of Influence Update

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**RESOLUTION NO.__**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

**MAKING DETERMINATIONS AND APPROVING MUNICIPAL SERVICE REVIEW SAN DIEGO COUNTY SANITATION DISTRICT**

**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 government services to inform its regulatory and other planning activities; and

**WHEREAS,** the Commission adopted a workplan for 2019-2020; and

**WHEREAS,** the Commission's Executive Officer and staff prepared an agency-specific municipal service review the San Diego County Sanitation District and its public wastewater services consistent with statute and the adopted workplan; and

**WHEREAS,** the Executive Officer has filed his report on the municipal service review, which was received and considered by the Commission; and

**WHEREAS,** the Executive Officer voluntarily set a public hearing on the municipal service review for August 5, 2019, and gave notice of the date, time, and place of hearing in accordance with Government Sections 56660 and 56661.

**WHEREAS,** as part of the municipal service review, the Commission is required pursuant to Government Code Section 56430(a) to make written statement of 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 wastewater services provided by the San Diego County Sanitation District.

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 each agency's active and latent service powers.

PASSED AND ADOPTED by the Commission on August 5, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

ATTEST:

_____
TAMARON LUCKETT
Executive Assistant

**EXHIBIT A**

**MUNICIPAL SERVICE REVIEW ON THE SAN DIEGO COUNTY SANITATION DISTRICT**

**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 the San Diego County Sanitation District. Abbreviations and acronyms 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 estimates there are 149,789 total fulltime residents within San Diego County SD as of the end of the report period.

    b) The estimated total fulltime resident population within San Diego County SD at the end of the report period of 149,789 is divided between seven distinct service areas throughout unincorporated San Diego County as follows.

        i. 92,717 residents in Spring Valley

        ii. 43,389 residents in Alpine-Lakeside

        iii. 12,873 residents in Winter Gardens

        iv. 598 residents in Campo

        v. 153 residents in Julian

        vi. 51 residents in Pine Valley

        vii. 8 residents in East Otay Mesa

    c) San Diego LAFCO estimates the combined annual rate of new fulltime population growth in San Diego County SD during the report period has been 0.67%.

    d) San Diego LAFCO assumes the estimated growth rate in San Diego County SD and in each of its seven service areas will hold over the report timeframe given no significant residential developments are presently vested or proposed. To this end, it is projected the District will add 5,716 new fulltime residents totaling 155,505 by 2023 and divided between the seven service areas as follows.

i. 96,015 residents in Spring Valley; a net addition of 3,298

ii. 45,305 residents in Alpine-Lakeside; a net addition of 1,916

iii. 630 residents in Campo; a net addition of 32

iv. 13,333 residents in Winter Gardens; a net addition of 460

v. 159 residents in Julian; a net addition of 6

vi. 54 residents in Pine Valley; a net additional of 3

vii. 9 residents in East Otay Mesa; a net addition of 1

e) San Diego LAFCO estimates 2,034 new dwelling units have been built within San Diego County SD over the report period with more than nine-tenths located within the Spring Valley and Alpine-Lakeside service areas. This trend illustrates an internal distinction with these two service areas serving as the epicenter of current and future residential growth in the District.

f) Significant non-residential growth is planned within the East Otay Mesa service area and expected to parallel the completion of State Highway 11 and proposed new commercial port of entry with Mexico. Should this development proceed as planned the East Otay Mesa will become a prominent service area for San Diego County SD and demand and generate greater District resources going forward.

g) San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD 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 of San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – are entirely within and or immediately adjacent to lands currently qualifying as disadvantaged unincorporated communities under State and local policy.

b) Approximately one-fifth of lands within and/or adjacent to San Diego County SD's central service areas – Spring Valley, Lakeside, and Winter Gardens – qualify as disadvantaged unincorporated communities under State and local policy.

c) State law emphasizes LAFCO consider the availability of fire protection, water, and wastewater services in disadvantaged unincorporated communities as part of the municipal service review process. To this end, the following statements apply.

   i. All lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities already receive organized fire protection services from County Service Area No. 135, Lakeside Fire Protection District, or San Miguel Consolidated Fire Protection District.

   ii. The majority of lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities receive water service from Cuyamaca Water District, Wynola Water District, Julian Community Services District, Majestic Pines Community Services District, Lakeside Water District, Campo Water Maintenance District or Helix Water District.

   iii. A considerable amount of lands immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities do not receive wastewater services and are wholly dependent on private septic systems.

d) San Diego LAFCO should coordinate with San Diego County SD to assess opportunities and costs to establish public wastewater services for lands adjacent to existing District infrastructure that qualify as disadvantaged unincorporated communities and incorporate this information into a future municipal service review.

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) San Diego County SD's lone municipal service – wastewater – commenced at the time of its formation in 2011 and involved assuming operation of preexisting facilities in various condition that presently comprise seven distinct service areas in the District.

b) San Diego County SD's wastewater operations are bifurcated by function with the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge.

c) San Diego County SD has made a concerted effort to streamline and improve service levels since its 2011 formation. These efforts are highlighted by immediately preparing master plans for all seven service areas and have directly informed numerous projects to upgrade, rehab, and repair infrastructure throughout the District.

d) The collection systems for six of the seven service areas in San Diego County SD – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the collection systems' average day demands generated during the report period exceed 60% of their associated capacities.

e) San Diego County SD's collection system for the Winter Gardens' service area is nearing its contracted capacity to convey wastewater through the City of El Cajon to the City of San Diego for treatment and discharge and merits review by the District. This comment is substantiated given the collection system's average day demand generated during the report period is at 89% of capacity

f) San Diego County SD's collection system for Spring Valley receives and wheels wastewater flows to the City of San Diego from several adjacent agencies through two dozen connections with the majority unmetered. These unmetered connections mask true demands generated in Spring Valley specific to the District and merits remedy to more accurately synch system improvements to user benefits.

g) San Diego LAFCO will review the sufficiency of treatment and discharge services provided for San Diego County SD's central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – as part of a future municipal service review involving the City of San Diego and will revisit the analysis of this report as needed.

h) San Diego County SD's treatment and discharge facilities for the eastern service areas – Campo, Julian, and Pine Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the three service areas' peak-day demands generated in the collection systems during the five-year report period exceed 75% of their associated treatment and discharge capacities.

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) San Diego County SD has experienced a decline in its financial standing during the report period and marked by an overall decrease of nearly one-tenth – or (7.8%) – in its net position. This decline is attributed to changes in pension obligation coupled with a planned draw down on reserves.

b) San Diego County SD remains in good overall financial standing and finished the most audited fiscal year in 2017-2018 with healthy levels of liquidity and capital. This latter measurement is headlined by the District finishing the period with a debt ratio of less than 10%; a relatively low amount for a utility with considerable infrastructure holdings.

c) San Diego County SD operates exclusively as an enterprise fund and is responsible for fully recovering its operating costs with operating revenues borne from user charges collected within all seven service areas. To this end, the District should continue to revisit user charges and pursue updates to remedy consistent operating losses experienced over the report period that collectively averaged (7.0%).

d) San Diego County SD's current rate schedule for wastewater services is uniformly applied across all seven of its service areas with a present annual charge of $399 for single-family residences. The uniform rate structure creates economies of scale and allows the District to absorb and balance changes in expenses within individual service areas with less immediate impact to ratepayers.

e) Non-operating revenues for San Diego County SD during the report period has been limited to interest earned on its fund balance through investments managed by the County of San Diego Auditor's Office. This supplemental revenue has been able to reduce – but not eliminate – the District's operating losses and produced a total margin average of (5.5%) during the report period.

f) Opportunities to increase direct revenues within San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – in support of their respective public wastewater systems through additional users is constrained due to existing land use policies. The substantive result – and in the absence of fee increases – is a dependency on new development in the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – to generate additional ratepayer revenue ratepayers to keep pace with costs.

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) San Diego County SD's ratepayers have benefited from the ongoing costs savings tied to the 2011 formation and ability therein to economize administrative resources in providing public wastewater services within seven distinct service areas.

b) San Diego County SD should explore opportunities to partner with public and private water providers within its eastern service areas – Campo, Julian, and Pine Valley – to repurpose wastewater into recycled supplies for beneficial use within the District's jurisdictional boundary.

c) San Diego County SD and Otay Water District should explore reorganization options in the Jamacha Basin to better economize existing wastewater services in the area.

d) San Diego County SD is partnering with the City of El Cajon, Padre Dam Municipal Water District, and Helix Water District to develop a reuse program to purify collected wastewater into a new water supply in the central service area. This partnership appropriately responds to the need to establish reliable local water supplies in the region and the Commission encourages the agencies to continue to develop and ultimately implement this program.

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) The multi-agency consolidation underlying the formation of the San Diego County SD in 2011 has been successful in improving governance within all seven service areas. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governing structure with greater economies of scale to plan, fund, and implement capital improvements.

   b) Ratepayers within San Diego County SD benefit from the District employing capable and dedicated management that appear to effectively administer day-to-day activities consistent with governing directives and community needs.

   c) San Diego County SD should take additional efforts to distinguish its role as a standalone governmental entity separate from the County of San Diego and improve accountability to District ratepayers. This includes – and among other opportunities – posting meeting information and associated agendas and minutes specific to the District on its website.

   d) The scope and geographic diversity of San Diego County SD's jurisdictional boundary suggests it would be appropriate for San Diego LAFCO to proceed with affirming the sphere of influence with no changes with the explicit intention of preparing a comprehensive update ahead or as part of the next municipal service review. Deferring a comprehensive update would allow LAFCO and the District to partner in a more holistic assessment of wastewater needs adjacent to existing service areas, including lands qualifying as disadvantaged unincorporated communities.

# 6b

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Linda Zambito, Analyst I

**SUBJECT:** **Sphere of Influence Update | San Diego County Sanitation District**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approving a sphere of influence update for the San Diego County Sanitation District. The update is being presented as part of the Commission's five-year study requirement under statute to review and – as needed – make changes to spheres in step with designating cities and special districts' appropriate current and near-term service areas. The update draws on information included in a recently prepared municipal service review and recommends the Commission proceed to affirm the existing sphere without changes and ahead of performing a comprehensive update in the near future with potential study areas identified.

## BACKGROUND

### Spheres of Influence

LAFCOs establish and maintain spheres for all cities and most special districts to designate the territory it independently believes represents the appropriate and probable boundaries and service areas 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 requires LAFCOs to review all

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Chris Cate, Alternate, City of San Diego
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Erin Lump, Alternate, Rincon del Diablo MWD

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 San Diego County Sanitation District

Consistent with the current workplan San Diego LAFCO has prepared a municipal service review on the San Diego County Sanitation District and its public wastewater services provided within seven distinct service areas throughout unincorporated San Diego County. These seven service areas in order of resident size are Spring Valley, Alpine-Lakeside, Winter Gardens, Campo, Julian, Pine Valley, and East Otay Mesa and collectively tally an estimated population of approximately 150,000. A final report on the municipal service review has been separately scheduled for hearing for the August 5th meeting. The final report – among other items – recommends the Commission proceed with affirming the sphere without changes and defer a comprehensive update to the next five-year report period.

## DISCUSSION

This item is for San Diego LAFCO to consider approving a sphere update for the San Diego County Sanitation District and make related determinations in designating the agency's appropriate current and near-term boundary and service area under statute. The update represents the first review of the sphere since 2011 when the Commission approved the formation of the San Diego County Sanitation District and follows a recently prepared municipal service review on the District as described in the preceding section. Additional discussion with respect to the current sphere designation and possible changes identified by staff in the course of preparing this update follows.

### Current Designation

San Diego County Sanitation District's sphere spans 36,844 acres with the following features.

- More than one-fourth of the sphere – or 9,379 acres – includes non-jurisdictional acres located outside the San Diego County Sanitation District. These non-jurisdictional acres comprise 9,141 parcels with close to nine-tenths already developed with some type of improvement based on Assessor records. Most of these non-jurisdictional acres are adjacent to the Spring Valley service area.

- Slightly less than one-fourth of the sphere – or 2,106 acres – excludes jurisdictional acres inside the San Diego County Sanitation District. These jurisdictional acres comprise 3,534 parcels with over nine-tenths already developed with some type of improvement based on Assessor records. Most of these excluded jurisdictional acres are adjacent to the Spring Valley service area and near the Cities of Chula Vista and National City and includes the Bonita and Lincoln Acres communities.[1]

[1] Lincoln Acres is within the National City sphere and Bonita is within the Chula Vista sphere. Both unincorporated communities have been historically opposed to annexation to the respective city. San Diego LAFCO has excluded these communities from the San Diego County Sanitation District sphere – however – in deference to also being within the cities' spheres.

- The sphere includes three existing special study areas. All three study areas lie outside San Diego County Sanitation District's jurisdictional boundary and collectively total 396 acres and adjacent to the Alpine-Lakeside (two) and Pine Valley (one) service areas. The study areas were established in 2011 and reflect a standing policy expectation for LAFCO to perform additional analysis to determine whether it would be appropriate to add the affected territory to the sphere.

## Possible Changes

A preliminary review of San Diego County Sanitation District's sphere suggest multiple changes may be merited relative to Commission preferences. Most of the possible changes identified to date involve clean-ups to synch the sphere to nearby parcel lines, roads, and other known and set features that were otherwise missed at the time the sphere was established and without the aid of current mapping technologies. Other possible and more substantive changes include – but not limited to – the following items.

- Spring Valley Service Area | Mt. Helix
  The Mt. Helix area is approximately 825 acres in size and part of the unincorporated community of Valle De Oro. The area is bordered by the Cities of La Mesa to the west and El Cajon to the north, but outside their spheres and not located within any public wastewater provider. The Valle De Oro Community Plan discourages annexation to cities to retain its rural residential character; however, local septic system failures have resulted in multiple contractual extensions of city wastewater service into the area over the last 10 years. Adding the area to the San Diego County Sanitation District's sphere would serve to recognize existing wastewater service needs and inform future capital planning in a developing area with the qualification additional information is needed to assess the District's ability to serve in the next 5 to 10 years.

- Winter Gardens Service Area | East Pepper Drive Area
  The East Pepper Drive area is approximately 13 acres in size part of the unincorporated community of Winter Gardens. The area is boarded by the Cities of El Cajon to the west and south and Santee to the north, but outside their spheres and not located within a public wastewater provider. Most of the area is residential and dependent on private onsite septic systems. Adding the area to the San Diego County Sanitation District's sphere would inform future capital planning in a developing area with qualification additional information is needed to assess the community's interest and District's ability to serve in the next 5 to 10 years.

- Multiple Service Areas | Disadvantaged Unincorporated Communities
  A sizable portion of adjacent lands to the existing San Diego County Sanitation District sphere currently qualifies as disadvantaged unincorporated communities (DUCs) under State statute and local policy. The DUC assignments affect four service areas – Campo, Julian, Alpine-Lakeside, and Spring Valley – and prompt the Commission to explore opportunities to expand the sphere to facilitate the extension of public wastewater services. Additional information is needed to assess both the

communities' interest in receiving public wastewater for purposes of scaling potential services and the District's ability therein to serve in the next 5 to 10 years.

## ANALYSIS

A preliminary review indicates a comprehensive update to San Diego County Sanitation District's sphere is merited to consider changes involving several of the service areas. These changes range from performing technical clean-ups to match the sphere to nearby parcel lines and other geographic features wherever possible to more substantive items identified in the preceding section, such as possibly expanding into Mt. Helix and East Pepper Drive. The scale and scope of these potential changes exceeds current resources, however, and – among other considerations – requires considerable coordination with the District to fully inform the analysis. Accordingly, it would be appropriate for the Commission to proceed with an update to affirm the existing sphere without changes now and defer a comprehensive update to the next five-year report period. Proceeding with an update satisfies the Commission's review directive under statute while appropriately telegraphing policy interests to both the District and affected landowners ahead of revisiting the topic. Further, should service needs emerge outside the sphere in the interim, it would be appropriate for applicants to make requests for individual amendments and allow the Commission to consider on a case-by-case basis with information provided in the associated and recently completed municipal service review.

## RECOMMENDATION

It is recommended San Diego LAFCO approve an update to affirm without changes the San Diego County Sanitation District sphere. 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 an update to affirm without changes the current San Diego County Sanitation District sphere.

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

(continued)

**PROCEDURES FOR CONSIDERATION**

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

1) Receive verbal report from staff unless waived;
2) Open the hearing and invite audience comments; and
3) Close the hearing, discuss item, and consider action on recommendation.

Respectfully,

Keene Simonds
Executive Officer

Linda Zambito
Analyst I

Attachment:

1) Draft Resolution Approving An Update to the San Diego County Sanitation District

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**RESOLUTION NO.**

**RESOLUTION OF THE**
**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**
**MAKING DETERMINATIONS**

**SAN DIEGO COUNTY SANITATION DISTRICT**
**SPHERE OF INFLUENCE UPDATE**

**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 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 an agency-specific municipal service review on the San Diego County Sanitation District and its public wastewater services within its seven distinct service areas in San Diego County consistent with statute; and

**WHEREAS**, the municipal service review on the San Diego County Sanitation District serves as the informing document for the Commission to proceed with a sphere of influence update; and

**WHEREAS**, the Executive Officer's written report and recommendations on a sphere of influence update on the San Diego County Sanitation District 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 update on the San Diego County Sanitation District on August 5, 2019;

**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 update for the San Diego County Sanitation District 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 their 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 update and recommendations therein on the San Diego County Sanitation District.

3. The Commission makes the statements set forth in Exhibit "A" in determining the sphere of influence for the San Diego County Sanitation District.

4. The Commission APPROVES an update to affirm with no changes the existing sphere of influence designation for the San Diego County Sanitation District as shown in Exhibit "B."

5. The effective date of the approved update to the San Diego County Sanitation District shall be immediate less any subsequent changes made by the Commission and necessitated as part of an approved reconsideration request under Government Code Section 56895.

6. The Executive Officer shall update the Commission's official records to reflect the update to the San Diego County Sanitation District and provide formal written notice therein to the District.

PASSED AND ADOPTED by the Commission on August 5, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

_____
TAMARON LUCKETT
Executive Assistant

**EXHIBIT A**

**STATEMENT OF DETERMINATIONS**
**GOVERNMENT CODE SECTION 56425**

1. With respect to present and planned land uses in the area as required under Section 56425(e)(1), the Commission independently determines the following.

    a) The affected territory within the proposed update to the San Diego County Sanitation District sphere of influence is entirely unincorporated and under the land use authority of the County of San Diego. The subject lands are largely developed with moderate to low density residential uses and supplemented by a relatively small amount of commercial and industrial 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) The affected territory within the proposed update to the San Diego County Sanitation District sphere of influence reflects the appropriate current and near-term jurisdictional boundaries as well as service areas of the District as determined by the Commission.

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 San Diego County Sanitation District's public wastewater services 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 proceeding with the proposed update to the sphere of influence.

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.

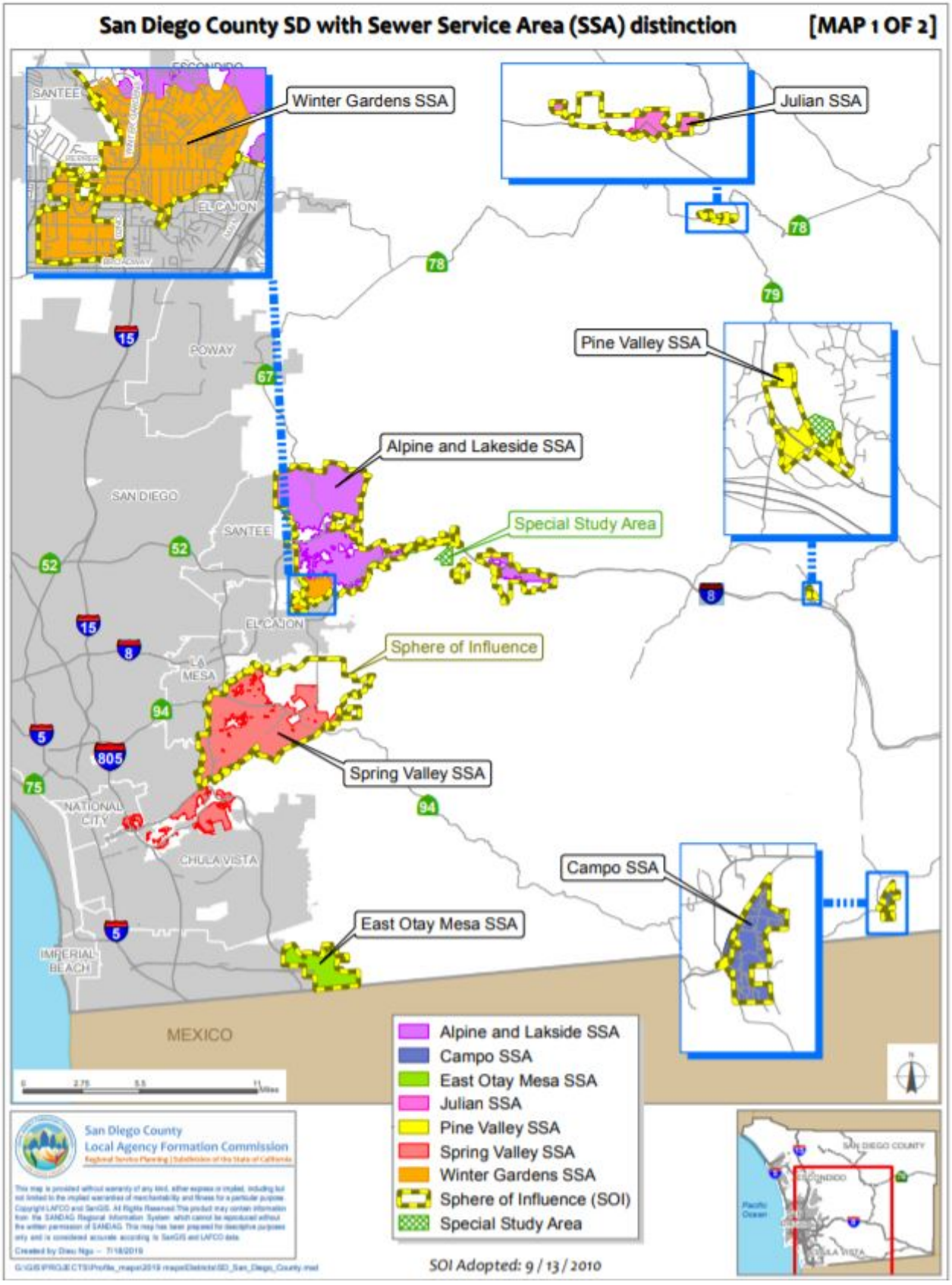
    a) The affected territory within the proposed update to the San Diego County Sanitation District has established social and economic interdependencies with the District through existing or – in limited instances – expected provision of wastewater services. These existing interdependencies have been memorialized by the Commission in past actions to include the subject lands in the sphere of influence.

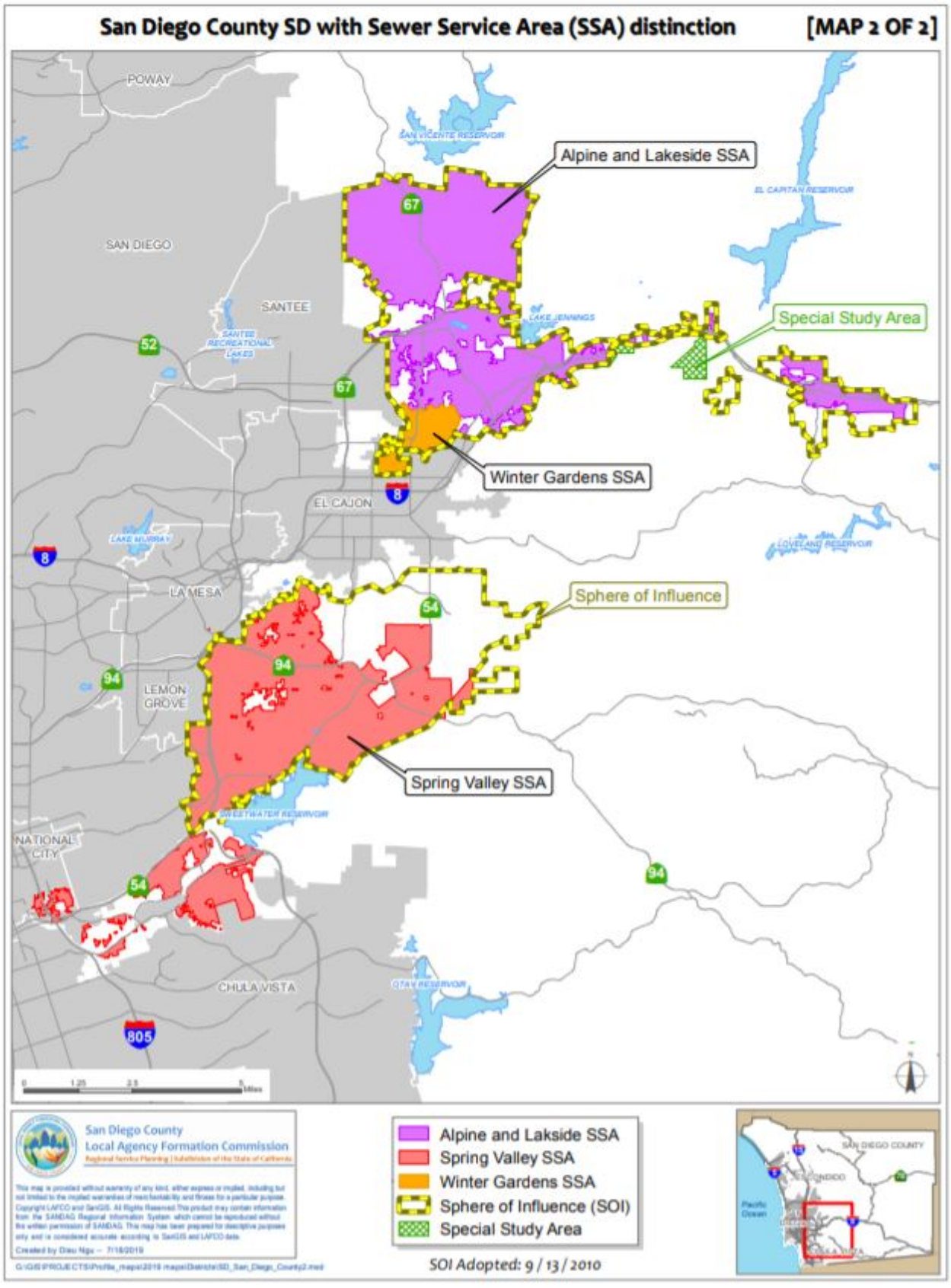
5. With respect to the present and probable need for public water, sewer, and fire protection services of any disadvantaged unincorporated communities within or adjacent to the sphere as required under Section 56425(e)(5), the Commission independently determines the following.

    a) A detailing of relevant information concerning lands within or adjacent to the proposed sphere of influence for the San Diego County Sanitation District that qualify as disadvantaged unincorporated communities was provided in the associated municipal service review filed by the Commission on August 5, 2019 and incorporated herein.

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**EXHIBIT B**


San Diego County SD with Sewer Service Area (SSA) distinction
[MAP 1 OF 2]
Winter Gardens SSA
Julian SSA
Pine Valley SSA
Alpine and Lakeside SSA
Special Study Area
Sphere of Influence
Spring Valley SSA
Campo SSA
East Otay Mesa SSA
SANTEE
EL CAJON
POWAY
SAN DIEGO
LA MESA
NATIONAL CITY
CHULA VISTA
IMPERIAL BEACH
MEXICO
Alpine and Lakside SSA
Campo SSA
East Otay Mesa SSA
Julian SSA
Pine Valley SSA
Spring Valley SSA
Winter Gardens SSA
Sphere of Influence (SOI)
Special Study Area
SOI Adopted: 9 / 13 / 2010
San Diego County
Local Agency Formation Commission


San Diego County SD with Sewer Service Area (SSA) distinction
[MAP 2 OF 2]
POWAY
SAN DIEGO
SANTEE
EL CAJON
LA MESA
LEMON GROVE
NATIONAL CITY
CHULA VISTA
SAN VICENTE RESERVOIR
EL CAPITAN RESERVOIR
LAKE JENNINGS
SANTEE RECREATIONAL LAKES
LAKE MURRAY
LOVELAND RESERVOIR
SWEETWATER RESERVOIR
OTAY RESERVOIR
Alpine and Lakeside SSA
Special Study Area
Winter Gardens SSA
Sphere of Influence
Spring Valley SSA
San Diego County
Local Agency Formation Commission
Alpine and Lakside SSA
Spring Valley SSA
Winter Gardens SSA
Sphere of Influence (SOI)
Special Study Area
SOI Adopted: 9 / 13 / 2010
SAN DIEGO COUNTY
Pacific Ocean

# 6c

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
John Traylor, Analyst Consultant
Linda Zambito, Analyst I

**SUBJECT:** **Proposed "Pauma Valley Fire Joint-Reorganization" | Divestiture of Fire Protection and Emergency Medical Service Powers for Mootamai, Pauma, and Yuima Municipal Water Districts and Concurrent Expansion of Activated Fire Protection and Emergency Medical Services Latent Power Area for County Service Area No. 135 (RO18-13 et al.)**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a joint-proposal filed by four subject agencies to transfer fire protection and emergency medical service responsibilities in unincorporated Pauma Valley to the County of San Diego. The transfer would involve concurrently divesting these service powers from the Mootamai, Pauma, and Yuima Municipal Water Districts (MWDs) and expanding the activated latent power area for these services for County Service Area (CSA) No. 135. The purpose of the proposal is to streamline service delivery to the affected territory – which spans approximately 18,565 acres with an estimated 2,237 residents as proposed – and allow the County Fire Authority to directly administer an existing contract with the California Department of Forestry and Fire Protection, or CAL FIRE. Staff recommends approval with modifications to include an additional 18.6 acres of adjacent land to CSA No. 135's latent power area along with a conforming service-specific sphere of influence amendment. Standard terms are also recommended and delegating protest to the Executive Officer. A listing of all the subject parcels is attached.

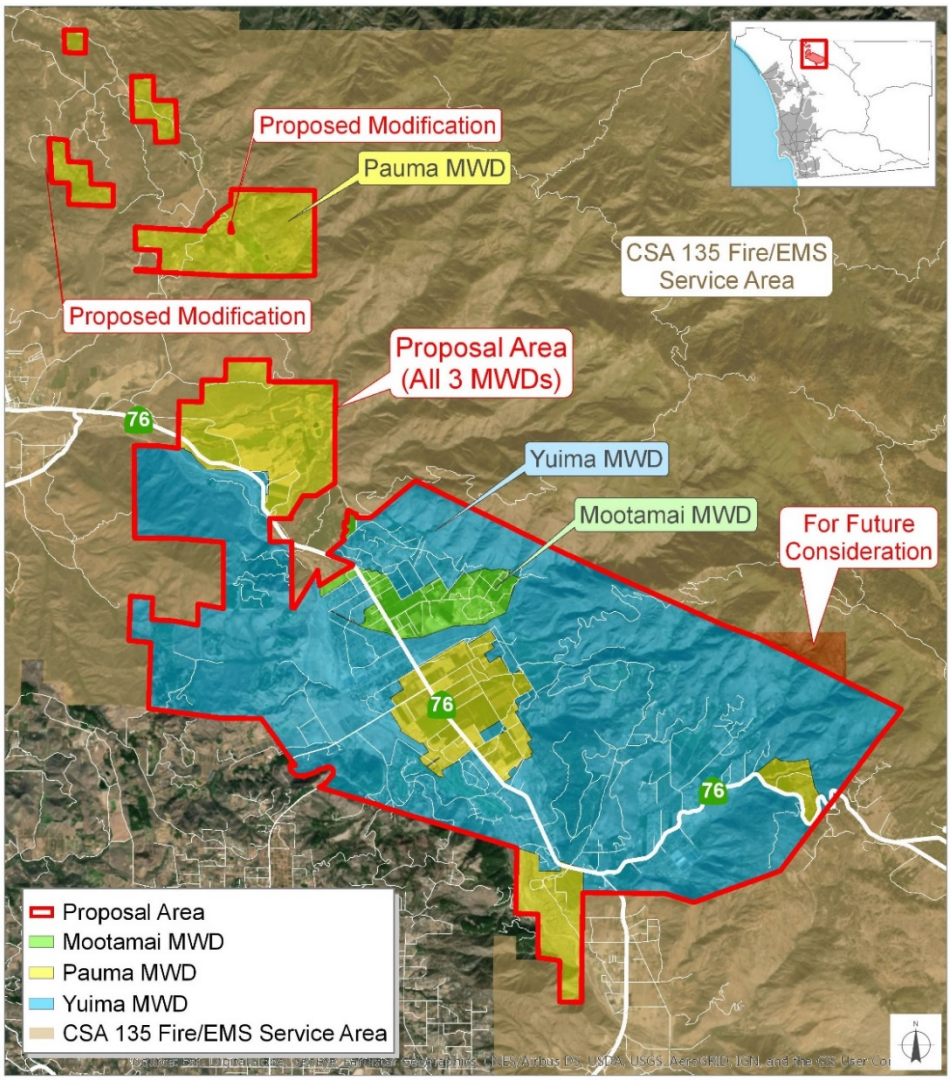
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Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Chair Jo MacKenzie, Vista ID
Barry Willis, Alpine FPD
Erin Lump, Alternate, Rincon Del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

## BACKGROUND

### Applicant Request

San Diego LAFCO has received a joint-proposal from Mootamai, Pauma, and Yuima MWDs (lead) as well as CSA No. 135 to reorganize fire protection and emergency medical service responsibilities in Pauma Valley in northern San Diego County. The reorganization would transfer these service responsibilities currently exercised by the three MWDs to the County of San Diego and its Fire Authority through CSA No. 135. Two concurrent LAFCO approvals underlie the applicants' request and involve divesting the fire protection and emergency medical service powers of all three MWDs and expanding the activated latent service power for CSA No. 135 to include all of the affected territory (i.e., all three MWDs' jurisdictional boundaries). The total size of the affected territory as proposed is 18,565 acres with one-fifth under public ownership and highlighted by the Wilderness Gardens County Preserve. The remainder of the affected territory is largely dedicated to low-density residential and agricultural uses as well as some commercial, including the Casino Pauma LAFCO estimates the total resident population within the affected territory is 2,237.



## Subject Agencies

The proposed reorganization involves four subject agencies: CSA No. 135, Mootamai, Pauma, and Yuima MWDs.[1] A summary description of each subject agency follows.

- CSA No. 135 is a dependent special district governed by the County of San Diego. It was formed in 1994 for the initial and limited purpose of providing a public safety regional communications system spanning all of the unincorporated area and within 10 of the 18 cities.[2] Services were expanded by LAFCO in 2008 through a latent power activation to include fire protection and emergency medical services within a designated portion of the County's unincorporated jurisdictional boundary, and in doing so facilitated the creation of the County Fire Authority.[3] The estimated resident population in CSA No. 135's fire protection and emergency medical service area is 41,346. The County Fire Authority contracts with CAL FIRE for all field services. The net position of the County is $2.9 billion as of July 30, 2018.

- Mootamai MWD is an independent special district formed in 1962 and governed by a five-member board consisting of registered voters elected – or appointed in lieu of contested elections – to four-year terms. Mootamai MWD spans 659 acres and presently provides two distinct services: (a) management of groundwater and riparian rights and (b) fire protection and emergency medical services with the latter through a joint-powers authority that contracts with CAL FIRE. The estimated resident population within Mootamai MWD is 412. The net position of Mootamai MWD is $0.128 million as of July 30, 2018.

- Pauma MWD is an independent special district formed in 1960 and governed by a five-member board consisting of registered voters elected – or appointed in lieu of contested elections – to four-year terms. Pauma MWD spans 4,422 acres and presently provides two distinct services: (a) water rights and (b) fire protection and emergency medical services with the latter through a joint-powers authority that contracts with CAL FIRE. The estimated resident population within Pauma MWD is 167. The net position of Pauma MWD is $0.346 million as of July 30, 2018.

- Yuima MWD is an independent special district formed in 1963 and governed by a five-member board consisting of registered voters elected – or appointed in lieu of contested elections – to four-year terms. Yuima MWD spans 13,452 acres and presently provides two distinct services: (a) potable retail water service as a member agency of the San Diego County Water Authority and (b) fire protection

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
[2] CSA No. 135's regional communications system involves an 800 megahertz radio signal operated by County Sheriff.
[3] San Diego LAFCO's 2008 approval to activate CSA No. 135's latent powers fulfilled the first of a three-part County plan to extend fire protection throughout the unincorporated area and marked by initially assuming services for nearly one dozen volunteer companies. The second part was approved by LAFCO in December 2011 and expanded the latent powers area by over 136,000 acres and in step with the concurrent dissolutions of five dependent special districts: CSA Nos 109, 110, 111, 112, and 113. The third part involves dissolution of independent special districts and concurrent expansion of CSA No. 135's latent powers to assume fire protection responsibilities therein. This final step commenced in 2015 with LAFCO approving reorganizations involving Pine Valley and Rural FPDs. The joint-reorganization to dissolve Julian-Cuyamaca FPD and transfer all fire protection and emergency medical services to County Fire Authority through CSA No. 135 is part of this third phase.

and emergency medical services with the latter through a joint-powers authority that contracts with CAL FIRE. (Yuima MWD also serves as the administrator.) The estimated resident population within Yuima MWD is 1,426. The net position of Yuima MWD is $16.7 million as of July 30, 2018.

## Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.[4]

- Pauma Valley Community Service District
- Rincon Ranch Community Service District
- San Diego County Water Authority
- Metropolitan Water District of Southern California
- CSA No. 135 (Regional Communications)
- Upper San Luis Rey Resource Conservation District
- Valley Center Cemetery District
- Palomar Health District

## DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without modifications – the joint-proposal to transfer fire protection and emergency medical services within the affected territory from Mootamai, Pauma, and Yuima MWDs to the County Fire Authority through CSA No. 135. 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 proposal purpose and Commission focus follows.

## Proposal Purpose

The underlying purpose of the joint-proposal as articulated in the application materials is to address two related items. The first item involves County Fire Authority directly assuming the CAL FIRE contract from the three MWDs in an effort to streamline fire protection and emergency medical services in the affected territory and improving the economies of scales by expanding County Service Area No. 135. [5] The second issue emphasizes cost-avoidance to each MWD now that the County is eliminating its subsidy practice that has provided backfill monies to the Districts to cover their net expenses in contracting with CAL FIRE.[6]

[4] State law defines "affected local agency" as any entity that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered.

[5] The affected territory lies within a State Responsibility Area and accordingly receives fire protection from CAL FIRE between April 15th and December 15th. Mootamai, Pauma, and Yuima MWDs established a joint-powers agreement in 1976 to contract with CAL FIRE to extend service coverage for the remainder of the year; a common practice in California and referred to as a "Amador Contract."

[6] The subsidy provided by the County of San Diego to all three MWDs amounted to $41,004.32 annually from FY 13-14 to FY 16-17.

### Development Potential

The affected territory as proposed and detailed in Appendix B is entirely unincorporated and subject to the County of San Diego's land use polices as codified in its General Plan and the Pala-Pauma Community Plan. These policies generally contemplate low-density residential uses in the affected territory paired with open-space and agriculture with minimum lot sizes ranging from 1.0 to 40.0 acres. No new development or changes to existing land uses or zoning are associated with the proposed reorganization.

### Commission Focus

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

## ANALYSIS

The analysis of the reorganization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and specifically the conforming service-specific sphere amendment, reorganization timing, and whether modification and/or terms are appropriate. The second subsection considers other germane issues required under LAFCO law or other applicable State statutes and highlighted by the California Environmental Quality Act (CEQA).

### Central Policy Items

**Item No. 1 |**
**Sphere of Influence Amendment**

The affected territory lies outside the service-specific sphere of influence for fire protection and emergency medical services previously established for CSA No. 135 by San Diego LAFCO.[7] The reorganization proposal, accordingly, necessitates a conforming amendment and premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community benefits and needs as determined by the membership. The staff review – which includes considering the statutory factors outlined under Government Code Section 56425 – suggests an amendment is sufficiently justified. The merits underlying the sphere amendment draw on two specific and relatively equal policy factors. First, CSA No. 135 appears advantageously positioned to immediately assume service responsibilities within the affected territory through its own and more inclusive contracting relationship with CAL

[7] The affected territory lies within the parent sphere established for CSA No. 135 by the Commission. The parent sphere, however, is specific to addressing the District's initial service responsibility at the time of its 1994 formation: emergency communications. The CSA No. 135 fire protection/EMS-specific sphere was subsequently established in 2008 as part of a latent power activation.

FIRE. Second, the affected territory is surrounded by CSA No. 135's activated latent power service area and expansion to include the subject lands would facilitate the elimination of non-jurisdictional CSA corridors and associated governance and service inefficiencies.

**Conclusion | Merits of the Sphere Amendment**

Approval of the service-specific sphere of influence amendment to designate CSA No. 135 as the appropriate current and future provider of fire protection and emergency medical services for the affected territory is warranted. Justification is marked by the preceding analysis and highlighted by further synching local fire protection management for the Pauma Valley region under the County Fire Authority. Additional analysis supporting the conclusion – including addressing the specific factors required under LAFCO law – is provided as part of Appendix A.

A related expansion of the CSA No. 135 service specific sphere to include two additional parcels is recommended and detailed in the proceeding sections.

**Item No. 2 |**
**Reorganization Timing**

The joint-proposal involves two concurrent jurisdictional changes. These changes involve the divestiture of Mootamai, Pauma, and Yuima MWDs' active fire protection and emergency medical service powers and the corresponding expansion of CSA No. 135's activated latent power area to provide these services to the affected territory. Staff's review of the proposal suggests the timing of these changes is sufficiently justified and highlighted by the analysis of the dozen-plus factors required for consideration under LAFCO law anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the service and financial capacities of the receiving agency, CSA No. 135. No single factor is determinative and the intent is to provide a uniform baseline for LAFCO in considering all jurisdictional changes in context to the Commission's own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with more detailed analysis provided in Appendix B.

- Service Needs
  The present and planned land uses of the affected territory merits organized fire protection and emergency medical services. This need is highlighted by an existing residential population estimate of 2,237 coupled with serving State Route 76. The need is also reflected in providing front-line defense for the region to encroaching wildland events from surrounding public and open-space areas. The need is further substantiated with demands within the affected territory staying relatively constant over the last 60-month period and averaging 227 onsite responses annually or 18 onsite responses monthly according to CAL FIRE records.

- Service Capacities and Levels
  CSA No. 135 serves as an implementing vehicle for the County Fire Authority to provide fire protection and emergency medical services through a significant portion of unincorporated San Diego County. Information collected and analyzed in reviewing the reorganization proposal indicates County Fire Authority has available and greater capacities compared to Mootamai, Pauma, and Yuima MWDs in assuming service responsibilities in the affected territory without adverse impacts to existing constituents. Additional details follow.

  - The existing contract provider for the affected territory – CAL FIRE – will continue to provide first response fire protection and emergency medical service to the affected territory should the Commission approve the reorganization. The contract holder, however, will transition to the County Fire Authority, and in doing so help to streamline administrative and governance management of the services in the region and ultimately under the Board of Supervisors.

  - The reorganization and associated transfer of the CAL Fire contract from Mootamai, Pauma, and Yuima MWDs through a joint-powers agreement to the County Fire Authority will not diminish existing service levels.

- Service Funding and Costs
  CSA No. 135 is funded through General Fund allocations authorized by the County Board of Supervisors. While discretionary, the amount of funding provided to CSA No. 135 is considered reliable given the allocations have progressively increased in step with the creation of the County Fire Authority in 2008 and is currently budgeted at $4.2 million; the latter representing more than a four-fold budget increase over the last five years. Similarly, overall discretionary funding made by the Board of Supervisors to County Fire Authority as a whole has progressively increased and presently budgeted at $46.7 million. Conversely, and as inferred in initiating the reorganization, Mootamai, Pauma, and Yuima MWDs ability to continue to fund the CAL FIRE service contract given the pending loss of the County subsidy would necessitate establishing new and/or additional revenues; the latter likely requiring voter approved assessments.

**Conclusion | Merits of Reorganization Timing**

The timing of the reorganization and transfer therein of fire protection and emergency medical services in the affected territory from Mootamai, Pauma, and Yuima MWDs to the County Fire Authority through CSA No. 135 is warranted. Justification is marked by the preceding analysis and highlighted by the immediate ability of County Fire Authority to assume service responsibilities through its own and more inclusive contracting relationship with CAL FIRE. Additional supporting analysis is provided in Appendix B.

## Item No. 3 | Merits of Modification and Terms

Two modifications to the joint-reorganization proposal have been identified by staff during the analysis phase and merit consideration by San Diego LAFCO at this time. The modifications address mapping omissions generated in the original establishment of CSA No. 135's activation of fire protection and emergency medical service in 2008 and would collectively add 18.6 additional acres to the expansion of the District's activated service area. Both modifications – notably – involve adding portions of larger parcels that are part of the joint-proposal and the inclusion therein of the remaining acreage serves to synch the proposed CSA No. 135 latent power boundary to the existing parcel lines. Specific details of the modifications are footnoted and shown as part of Attachment One.[8] Standard approval terms also appear justified given there are no otherwise unique conditions.

Notwithstanding the above analysis, two additional modifications were identified by staff in the analysis phase and merit attention. These additional modifications involve two entire parcels that collectively total 212.4 acres and are adjacent to the affected territory in Pauma Valley and entirely surrounded by CSA No. 135's latent power boundary for fire protection and emergency medical services. Staff assumes – but is not certain – these two parcels were similarly excluded from the latent power boundary at the time of its establishment in 2008 as part of a mapping omission. Given the referenced uncertainty, however, staff believes it would be appropriate for CSA No. 135 to perform outreach with the two landowners and consider returning to the Commission with a separate proposal in the near future.[9] This suggestion also serves as an alternative to conditioning approval on receipt of a completed application given the latter would likely delay recording an approved reorganization past the December 1st deadline to enact tax roll changes for 2020-2021.

**Conclusion | Merits of Modifications and Terms**

Two modifications to the affected territory boundary appears merited at this time to remedy earlier mapping omissions. This adds 18.6 acres of adjacent unincorporated land to the expansion of the CSA No. 135's activated latent power area for fire protection and emergency medical services and involves the remaining portions of 111-030-06 and 109-372-06 that are not already covered. It is separately suggested CSA No. 135 perform outreach to the two landowners of 134-120-08 and 134-120-09 and consider filing a separate proposal to add these lands to the latent power area in the future. Nonetheless, and for purposes of facilitation, expanding CSA No. 135's service specific sphere to include these two parcels is recommended. Standard terms are appropriate.

[8] The first modification involves the addition of 1.0 acres and is part of a 76.8 acre parcel identified by the Assessor as 111-030-06. The second modification involves the addition of 17.6 acres and is part of a 73.1 acre parcel identified by the Assessor as 109-372-06.

[9] The affected parcels are identified by the Assessor as 134-120-08 (United States National Forest) and 134-12-09 (American Federal Indian Reservation) and are 130.4 and 82.0 acres, respectively.

## Other Statutory Considerations

### Exchange of Property Tax Revenues

CEQA requires San Diego LAFCO to assess whether environmental 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 with respect to this proposal. This involves the (a) accommodating the service-specific sphere amendment for CSA No. 135 as described in the preceding sections and the (b) reorganization itself. The Executive Officer has determined both actions qualify as projects under CEQA but are exempt from further review based on the following findings.

- The amendment to the service-specific sphere of influence of County Service Area No. 135 (Fire/EMS) to include the affected territory qualifies as a project but is exempt from additional review per State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.

- The reorganization of fire protection and emergency medical service powers with the recommended modifications qualifies for exemption under State CEQA Guidelines Section 15320. This exemption appropriately applies given the affected territory is already located within an authorized fire protection and emergency medical services provider and the reorganization will not change the geographic area where previously-existing service powers are authorized and exercised.

### Protest Proceedings

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

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

- Should 25% to 50% of (a) registered voters and/or (b) landowners holding 25% to 50% of the assessed value of land within the affected territory file written protests the reorganization will be ordered subject to an election at a future date.

- Should more than 50% of (a) registered voters and/or (b) landowners holding 50% or more of the assessed value of land within the affected territory file written protests the reorganization will be terminated.

Should the Commission proceed with an approval, staff has tentatively scheduled a protest hearing for the reorganization at 10:00 am on September 11th, 2019 in the LAFCO Office at the County Operations Center at 9335 Hazard Way, Suite 200 in San Diego. Notice for the protest hearing would be provided to landowners and registered voters in a manner provided under statute no less than 21-days in advance.[10] Further – and importantly should this apply – all protest forms would need to be signed on or after the date the protest hearing is noticed; signatures dated ahead of the noticing are invalid under statute.

## RECOMMENDATION

Staff recommends approval of the proposed reorganization with modifications and a conforming service-specific sphere amendment involving CSA No. 135. Approval provides for an orderly transfer of fire protection and emergency medical services within the affected territory – which includes modifications to add 18.6 acres for reasons detailed above – and in doing so help solidify the County Fire Authority's role and ability to coordinate services in Pauma Valley region through its contact with CAL FIRE. Approval would also eliminate the need for revenue enhancements for Mootamai, Pauma, and Yuima MWDs in maintaining baseline fire protection and emergency medical levels ahead of the planned elimination of subsidy funding from the County. Reorganization also – *and holistically* – is consistent with an earlier Commission recommendation borne out of extensive studying in the early 2000s and widely communicated thereafter to consolidate fire services in the unincorporated area under one service provider – County Fire Authority – whenever the timing is right (emphasis added). Yuima, Pauma and Mootamai MWD's decision by its elected representatives to file for divestiture coupled with the analysis of the factors required under LAFCO law serves to sufficiently quantify the timing is right to proceed with reorganization at this time. Specific recommended actions are enumerated as Alternative One in the proceeding 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) Approve the reorganization with modifications and a conforming service-specific sphere of influence amendment involving CSA No. 135 with standard terms as detailed in the draft resolution provided as Attachment Two. Also included is approval to further amend CSA No. 135's service-specific sphere to include two additional parcels identified as 134-120-08 and 134-120-09.

[10] Official protest forms for both landowners and voters are available on the LAFCO website with additional instructions.

(b) Encourage CSA No. 135 to perform landowner outreach involving parcels 134-120-08 and 134-120-09 and return with a separate proposal to expand its activated latent power area for fire protection and emergency medical service. Also authorize a fee waiver should CSA No. 135 proceed with filing the proposal.

Alternative Two:
Continue consideration to the next regular meeting set for October 7, 2019 and provide direction to staff concerning additional information, as needed.

Alternative Three:
Disapprove the proposal with direction to the Executive Officer to return at the next regular meeting with a conforming resolution for adoption.

**PROCEDURES FOR CONSIDERATION**

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

1) Receive verbal report from staff unless waived;
2) Invite comments from the applicant;
3) Open the hearing and invite audience comments; and
4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Linda Zambito
Analyst I

Appendices:

A) Analysis of Proposal Review Factors
B) Analysis of Jurisdictional Change Factors Per 56668

Attachments:

1) Vicinity Map
2) Draft Resolution of Approval
3) Application Materials
4) List of All Subject Parcels Included in Proposal Submittal

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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 spans close to 18,675 acres with recommended modifications as detailed in the Executive Officer report and is entirely unincorporated and subject to the adopted land use policies of the County of San Diego and memorialized under the Pala/Pauma Community Plan. The affected territory is anchored by the unincorporated community of Pauma Valley and largely includes low-density residential uses along with agriculture and open space. LAFCO estimates the total resident population at 2,237. Amending CSA No. 135's service-specific sphere to include the affected territory as modified for fire protection and emergency medical services is consistent with these land uses.

**(2) The present and probable need for public facilities and services in the area.**

Present and planned uses within the affected territory as described merits organized fire protection and emergency medical services. This need is highlighted by an existing residential population of 2,237 and relatively constant demand with current onsite responses averaging 227 per year or 18 per a month, respectively over last 60-month period. Amending CSA No. 135's service-specific sphere to include the affected territory as modified for fire protection and emergency medical services is consistent with these needs.

**(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

CAL FIRE presently provides an adequate level of year-round fire protection and emergency medical services to the affected territory through an existing contract involving Mootamai, Pauma, and Yuima MWDs. CAL FIRE would continue to provide services to the affected territory upon approval of the reorganization with the authorizing contract transferring from the MWDs to the County Fire Authority through CSA No. 135. Amending CSA No. 135's service-specific sphere to include the affected territory as modified for fire protection and emergency medical services is consistent with these capacities.

**(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 as modified has established informal social and economic ties with CSA No. 135 given the County Fire Authority's existing role in managing fire protection and emergency medical services in surrounding lands. Inclusion of the affected territory within CSA No. 135's service-specific sphere for fire protection and emergency medical services would formalize these ties through LAFCO policy and clarify the County Fire Authority's expanding role therein in managing services throughout the Pauma Valley.

**(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

A small northern portion of the affected territory equaling less than 1% qualifies as a disadvantaged unincorporated community (DUC) based on statute and implementing LAFCO policy. Adding this portion of the affected territory to CSA No. 135's service-specific sphere for fire protection and emergency medical services does not alter or otherwise impact existing DUC designations involving the subject lands.

## APPENDIX B
## ANALYSIS OF MANDATORY PROPOSAL REVIEW FACTORS
## GOVERNMENT CODE SECTION 56668

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

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The affected territory with modifications is approximately 18,565 unincorporated acres in size and is located in rural north-eastern San Diego County, east of Insterstate-15, and south of Palomar Mountain. Elevation ranges between 1,700 and 2,500 feet above sea-level. The affected territory lies within the County of San Diego's Pala Pauma Community Planning Area. The majority of the estimated 2,237 residents in the affected territory lie within the unincorporated community of Pauma Valley that spans all three MWDs. The County's Zoning Ordinance predominately assigns the affected territory as Village or Rural Residential with minimum lot sizes ranging from one dwelling unit per acre to one dwelling per 40 acres. Existing County land use policies contemplate no significant new growth within or adjacent to the affected territory within the next 10 years. Total assessed value (land and structures) within the affected territory is $455,697,706 million as of March 2019.

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

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The County of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, street lighting, and law enforcement. There are also a number of smaller local governmental agencies that provide services to the affected territory. This includes the Pauma Valley Community Services District (potable water), Yuima, Pauma and Mootamai MWDs (potable water), Upper San Luis Rey Resource Conservation District (watershed & soil conservation) and San Diego County Flood Control District (flood control). This proposal affects only fire protection and emergency medical services and is the focus of the succeeding analysis.

- **Baseline and Post-Reorganization**
  **CSA No. 135 (County Fire Authority) as Service Provider**
  Yuima, Mootamai and Pauma MWDs have an established a joint-powers agreement (JPA) to collectively contract with CAL FIRE for fire protection and emergency medical services within the affected territory as part of its regional coverage. Fire operations serve as the main function and are presently staffed daily by 75 career firefighters and supplemented by 15 on-call reserves and 10 non-paid reserves with the majority of services delivered out of Rincon Fire Station #70 in Pauma Valley.

According to data from CAL FIRE, overall service demands within the affected territory have stayed relatively consistent over the last five years with dispatch calls averaging 246.6 annually or 20.6 monthly and total onsite incidents averaging 227.2 annually or 18.9 monthly. 2019 service demand trends also align with historical data and project a total of dispatched calls averaging 258 annually or 21.5 monthly and total onsite incidents averaging 238 annually or 19.8 monthly.

**Annual Incidents in the Affected Territory**
(Source: CALFIRE)

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | Average |
|---|---|---|---|---|---|---|
| Total Dispatched Incidents | 210 | 253 | 274 | 263 | 233 | 246.6 |
| Total Onsite Incidents | 182 | 238 | 253 | 253 | 210 | 227.2 |

Should the reorganization be approved the majority of the operations will largely continue at current levels with CAL FIRE continuing to serve as contract provider to the affected territory. CSA No. 135 has also committed to increase funding for the CAL FIRE contract to increase assigned personnel in the region from 75 to 80, and will presumably improve the ISO rating.

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

Approving the proposed reorganization would recognize existing economic and social ties between CSA No. 135 and the affected territory and serve to streamline fire protection management in the affected territory consistent with surrounding lands.

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

Approval of the proposed reorganization is consistent with an earlier Commission recommendation borne out of extensive studying in the early 2000s and widely communicated thereafter to consolidate fire services in the unincorporated area under one service provider – County Fire Authority – whenever the timing is right (emphasis added). Yuima, Pauma and Mootamai MWD's decision by its elected representatives to file for divestiture coupled with the analysis of the factors required under LAFCO law serves to sufficiently quantify the timing is right to proceed with reorganization at this time. Additionally, the proposal would not induce or otherwise facilitate the loss of open-space lands, and as such does not conflict with the provisions of Government Code Section 56377.

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

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Portions of the affected territory qualify as agricultural land under LAFCO law. The joint-reorganization proposal, nonetheless, is specific to transferring fire protection and emergency medical services between two local governmental agencies and would not adversely affect the physical or economic well-being of the agricultural lands.

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

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LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standards of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards and address the recommended modifications if approved by the Commission.

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

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The proposed reorganization would not conflict with San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG).

**h) The proposal's consistency with city or county general and specific plans.**

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The affected territory is entirely unincorporated and subject to the land use policies of the County of San Diego. The County's implementing land use policy document for the affected territory is the Pala-Pauma Community Plan. This latter document prescribes a minimum lot size range for the majority of the affected between 1 and 40 acres.

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

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Reorganization approval would necessitate a conforming amendment to CSA No. 135's secondary sphere specific to fire protection and emergency medical services. Consideration of this conforming amendment is detailed in Appendix A.

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

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Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

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

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CSA No. 135 is funded through General Fund allocations authorized by the County Board of Supervisors. While discretionary, the amount of funding provided to CSA No. 135 is considered reliable given the allocations have progressively increased in step with the creation of the County Fire Authority in 2008 and is currently budgeted at $4.2 million; the latter representing more than a four-fold budget increase over the last five years.

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

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The majority of the affected territory – and in particular the more densely inhabited areas – already lies within and receives domestic water service from several special districts. Approval of the joint-reorganization proposal is specific to transferring fire protection and emergency medical services between local governmental agencies and would not affect the timely availability of water supplies within the affected territory.

**m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

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The proposed reorganization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments, San Diego Association of Governments. The boundary change would not affect this assignment.

**n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

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The affected territory is inhabited as defined LAFCO law (12 registered voters or more). No written or formal comments have been submitted to San Diego LAFCO staff.

**o) Any information relating to existing land use designations.**

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See earlier analysis for Item H.

**p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**

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The joint-reorganization proposal aims to provide a more uniform and higher level of fire protection and emergency medical services throughout the affected territory and consistent with service provided in the surrounding area. The expected uniformity in service levels treats all subject residents equally and does not raise any environmental justice concerns.

**q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.**

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The County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies in a Very-High Fire Hazard Severity Zone.

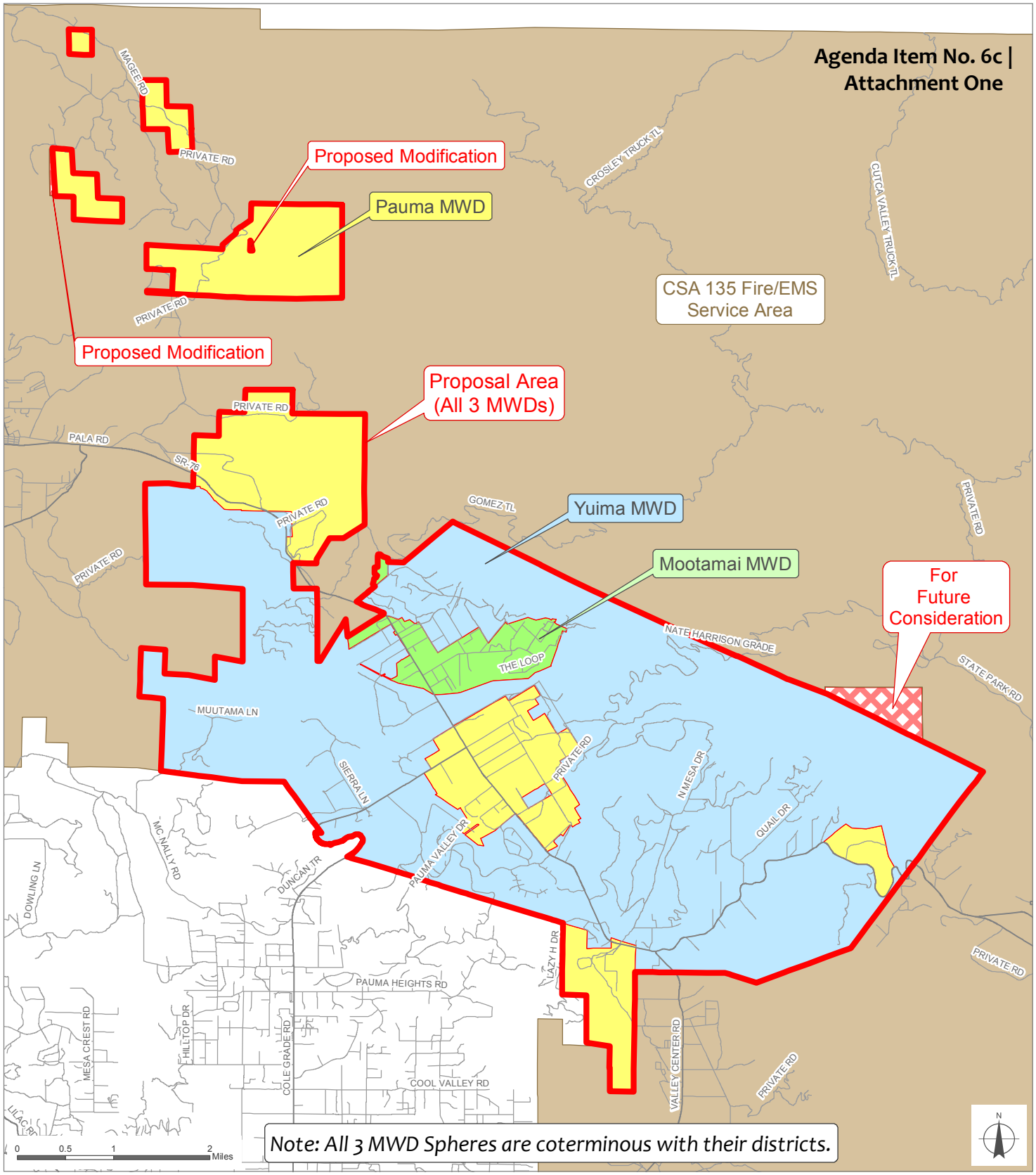
**56668.3(a)(1) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annex to the district.**

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Approval of the proposed reorganization would be in the best interest of the current and future landowners and/or residents of the affected territory by providing streamlined fire rescue and emergency medical services going forward. Approval would also benefit the CSA No. 135 as a whole and further eliminate any islands in the service area.

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# Proposed Pauma Valley Fire Reorganization (RO18-13, et. al.)

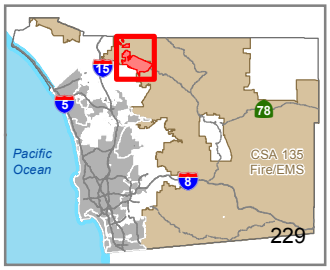



San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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Created by Dieu Ngu -- 7/25/2019

- Proposal Area
- Mootamai MWD
- Pauma MWD
- Yuima MWD
- CSA 135 Fire/EMS Service Area




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**RESOLUTION NO. ___**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

**MAKING DETERMINATIONS AND APPROVING A REORGANIZATION AND ASSOCIATED SPHERE OF INFLUENCE AMENDMENT**

**PAUMA VALLEY FIRE REORGANIZATION -
DIVESTITURE OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICE POWERS FOR PAUMA, YUIMA, AND MOOTAMAI MUNICIPAL WATER DISTRICTS**

**CONCURRENT AMENDMENT TO SERVICE-SPECIFIC SPHERE OF INFLUENCE AND EXPANSION OF ACTIVATED FIRE PROTECTION AND EMERGENCY MEDICAL SERVICE POWERS AREA FOR COUNTY SERVICE AREA NO. 135 (FIRE/EMS)
LAFCO FILE NOS: RO18-13 ET AL.**

**WHEREAS**, on May 2, 2018, the Pauma, Yuima, and Mootamai Municipal Water Districts and the County of San Diego Fire Authority filed a joint resolution of application with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000, et seq.); and

**WHEREAS**, the joint application seeks approval for a reorganization involving (1) divestiture of fire protection and emergency medical service powers within approximately 18,500 +/- acres comprising the affected territory; (2) a concurrent amendment to the service-specific sphere of influence for County Service Area No. 135 (Fire/EMS) to include the affected territory; and (3) a concurrent expansion of County Service Area No. 135 (Fire/EMS) activated fire protection and emergency medical services powers area to include the affected territory; and

**WHEREAS**, on August 7, 2018, the Pauma, Yuima, and Mootamai Municipal Water Districts respectively approved the divestiture of fire protection and emergency medical service powers within the affected territory; and

**WHEREAS**, on August 7, 2018, the County of San Diego, acting on behalf of CSA No. 135, approved the expansion of the activated latent powers area for fire protection and emergency medical services to include the affected territory; and

**WHEREAS**, on July 10, 2019, the County of San Diego approved a negotiated property tax exchange for the affected territory; and

**WHEREAS,** the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

**WHEREAS**, the Executive Officer's report and recommendations on the proposal and need for a concurrent service-specific sphere of influence amendment with modifications has been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a noticed public hearing along with reviewing the necessary concurrent sphere of influence amendment for consistency under Government Code § 56375.5 on August 5, 2019.

**NOW, THEREFORE, BE IT RESOLVED**, the Commission hereby finds, determines, and orders the following:

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

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

3. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the reorganization proposal and as detailed in the Executive Officer's report: (a) accommodating service-specific sphere of influence amendment (b) the reorganization itself. The Commission's findings follow.

    a) The amendment to the service-specific sphere of influence of County Service Area No. 135 (Fire/EMS) to include the affected territory as modified qualifies as a project but is exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.

    b) The reorganization of fire protection and emergency medical service powers within the affected territory as modified qualifies as a project but is exempt from additional review under CEQA Guidelines § 15320. This exemption appropriately applies given the affected territory is substantially already located within an authorized fire protection and emergency medical services provider and the reorganization will not change the geographic area where previously-existing service powers are authorized and exercised.

4. The Commission <u>APPROVES</u> the following sphere of influence amendment with modifications and subject to conditions as provided. Approval involves all of the following.

    a) The service-specific sphere of influence for County Service Area No. 135 (Fire/EMS) is amended to include the affected territory as shown in "Exhibit A" and Assessor Parcel Numbers 111-030-06, 109-372-06, 134-120-08, and 134-120-09.

5. The written statements of the Commission addressing the mandatory factors required for consideration any time spheres of influence are adopted, amended, or updated under Government Code § 56425 are provided as "Exhibit B".

6. The Commission APPROVES the joint-reorganization with modifications and subject to conditions as provided. Approval involves all of the following:

    a) Mootamai, Pauma, and Yuima Municipal Water District's fire protection and emergency medical service powers are divested from their jurisdictional boundaries.

b) County Service Area No. 135's (Fire/EMS) activated fire protection and emergency medical services power area is expanded to include Mootamai, Pauma, and Yuima Municipal Water District's jurisdictional boundaries and Assessor Parcel Numbers 111-030-06 and 109-372-06.

7. The Commission CONDITIONS the approvals on the following terms being satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:

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

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

c) Submittal to the Commission of the following payments:

- A check made payable to LAFCO in the amount of $100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

- A check made payable to LAFCO in the amount of $915.20 to reimburse for the public hearing notice publication.

- A check made payable to the State Board of Equalization for processing fees in the amount of $3,500.00.

d) Approximately 1,069 registered voters reside in the affected territory as designated by the Commission and is therefore inhabited as defined in Government Code § 56046.

e) The Commission delegates to the Executive Officer performing all conducting authority proceeding requirements under Government Code § 57000 and consistent with policy.

f) Pauma Municipal Water District, Yuima Municipal Water District, and Mootamai Municipal Water District all utilize the regular assessment roll of the County of San Diego.

g) The effective date of the proposal shall be the date of recordation of the Certificate of Completion.

h) As allowed under Government Code § 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**

PASSED AND ADOPTED by the Commission on 5th of August 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Luckett
Executive Assistant

Resolution No. 18-121
Meeting Date: 08/07/18 (01)

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA 135 AND EXPAND THE AREA WITHIN COUNTY SERVICE AREA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED INTO THE TERRITORY OF THE MOOTAMAI MUNICIPAL WATER DISTRICT**

WHEREAS, the Board of Directors of the Mootamai Municipal Water District ("Mootamai MWD") filed an application to the Local Agency Formation Commission ("LAFCO") on May 2, 2018 and authorized, pursuant to the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code Sec 56000, et seq.), the divestiture of fire and emergency medical services from the Mootamai MWD and the related amendment of the applicable sphere of influence ("Proposed Divestitures");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Divestiture, the sphere of influence for the latent powers area (fire protection and emergency medical services) of County Service Area ("CSA") 135 (San Diego Regional Communications/Fire Protection) be amended to reflect the territory of the Mootamai MWD;

WHEREAS, the latent powers of CSA 135 to provide fire protection and emergency medical services, activated by LAFCO on November 19, 2008, have been exercised pursuant to LAFCO authorization for a geographically limited area within the boundaries of the CSA (hereafter, referenced as "latent powers subarea");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Dissolution, the latent powers subarea of CSA 135 for fire protection and emergency medical services, be expanded to include the territory of the Mootamai MWD;

WHEREAS, the reasons for the proposed sphere of influence amendment and latent powers area expansion are as follows:

(1) To ensure continuity of fire protection and emergency medical service for the territory of the Mootamai MWD;

(2) To ensure the long-term security of fire protection service to the communities within the territory of the Mootamai MWD; and

(3) To eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service;

WHEREAS, a plan for service prepared pursuant to Government Code Section 56824.12 is provided as Exhibit B;

WHEREAS, the boundaries of the affected territory are depicted in Exhibit A;

WHEREAS, CSA 135 shall use best efforts to improve current Insurance Service Office (ISO) ratings within the expanded latent powers subarea;

WHEREAS, pursuant to the Notice of Exemption filed on August 7, 2018 and Sections 15060(c)(3) and 15378(b)(5) of the California Environment Quality Act (CEQA) Guidelines, the project is exempt from CEQA review;

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

WHEREAS, this request requires a concurrent amendment to CSA 135's fire protection and emergency medical specific sphere of influence and is conditioned on approval of the proposal on file with LAFCO as of August 7, 2018 to divest fire and emergency medical services from the Mootamai MWD.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT, pursuant to California Government Code sections 56428 and 25210.2, subdivision (g), application is hereby made to the LAFCO to:

(1) Amend the sphere of influence for fire protection and emergency medical services latent powers within CSA 135 to include the territory of the Mootamai MWD; and

(2) Expand the latent power area for fire protection and emergency medical services within CSA 135 to include the territory of the Mootamai MWD.

IT IS FURTHER RESOLVED THAT:

(1) The above recitals are true and correct;

(2) The Director, County Fire Authority, or designee, is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer of the LAFCO; and

(3) The Director, County Fire Authority, or designee, is hereby authorized and directed to prepare the necessary LAFCO Application documents, conduct investigations, and take any action necessary to process the application.

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By Suedy Alfaro
Senior Deputy County Counsel

Resolution No. 18-122
Meeting Date: 08/07/18 (01)

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA 135 AND EXPAND THE AREA WITHIN COUNTY SERVICE AREA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED INTO THE TERRITORY OF THE PAUMA MUNICIPAL WATER DISTRICT**

WHEREAS, the Board of Directors of the Pauma Municipal Water District ("Pauma MWD") filed an application to the Local Agency Formation Commission ("LAFCO") on June 4, 2018 and authorized, pursuant to the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code Sec 56000, et seq.), the divestiture of fire and emergency medical services from the Pauma MWD and the related amendment of the applicable sphere of influence ("Proposed Divestitures");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Divestiture, the sphere of influence for the latent powers area (fire protection and emergency medical services) of County Service Area ("CSA") 135 (San Diego Regional Communications/Fire Protection) be amended to reflect the territory of the Pauma MWD;

WHEREAS, the latent powers of CSA 135 to provide fire protection and emergency medical services, activated by LAFCO on November 19, 2008, have been exercised pursuant to LAFCO authorization for a geographically limited area within the boundaries of the CSA (hereafter, referenced as "latent powers subarea");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Dissolution, the latent powers subarea of CSA 135 for fire protection and emergency medical services, be expanded to include the territory of the Pauma MWD;

WHEREAS, the reasons for the proposed sphere of influence amendment and latent powers area expansion are as follows:

(1) To ensure continuity of fire protection and emergency medical service for the territory of the Pauma MWD;

(2) To ensure the long-term security of fire protection service to the communities within the territory of the Pauma MWD; and

(3) To eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service;

WHEREAS, a plan for service prepared pursuant to Government Code Section 56824.12 is provided as Exhibit B;

WHEREAS, the boundaries of the affected territory are depicted in Exhibit A;

WHEREAS, CSA 135 shall use best efforts to improve current Insurance Service Office (ISO) ratings within the expanded latent powers subarea;

WHEREAS, pursuant to the Notice of Exemption filed on August 7, 2018 and Sections 15060(c)(3) and 15378(b)(5) of the California Environment Quality Act (CEQA) Guidelines, the project is exempt from CEQA review;

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

WHEREAS, this request requires a concurrent amendment to CSA 135's fire protection and emergency medical specific sphere of influence and is conditioned on approval of the proposal on file with LAFCO as of August 7, 2018 to divest fire and emergency medical services from the Pauma MWD.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT, pursuant to California Government Code sections 56428 and 25210.2, subdivision (g), application is hereby made to the LAFCO to:

(1) Amend the sphere of influence for fire protection and emergency medical services latent powers within CSA 135 to include the territory of the Pauma MWD; and

(2) Expand the latent power area for fire protection and emergency medical services within CSA 135 to include the territory of the Pauma MWD.

IT IS FURTHER RESOLVED THAT:

(1) The above recitals are true and correct;

(2) The Director, County Fire Authority, or designee, is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer of the LAFCO; and

(3) The Director, County Fire Authority, or designee, is hereby authorized and directed to prepare the necessary LAFCO Application documents, conduct investigations, and take any action necessary to process the application.

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By Suedy Alfaro
Senior Deputy County Counsel

Resolution No. 18-120
Meeting Date: 08/07/18 (01)

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA 135 AND EXPAND THE AREA WITHIN COUNTY SERVICE AREA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED INTO THE TERRITORY OF THE YUIMA MUNICIPAL WATER DISTRICT**

WHEREAS, the Board of Directors of the Yuima Municipal Water District ("Yuima MWD") filed an application to the Local Agency Formation Commission ("LAFCO") on June 6, 2018 and authorized, pursuant to the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code Sec 56000, et seq.), the divestiture of fire and emergency medical services from the Yuima MWD and the related amendment of the applicable sphere of influence ("Proposed Divestitures");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Divestiture, the sphere of influence for the latent powers area (fire protection and emergency medical services) of County Service Area ("CSA") 135 (San Diego Regional Communications/Fire Protection) be amended to reflect the territory of the Yuima MWD;

WHEREAS, the latent powers of CSA 135 to provide fire protection and emergency medical services, activated by LAFCO on November 19, 2008, have been exercised pursuant to LAFCO authorization for a geographically limited area within the boundaries of the CSA (hereafter, referenced as "latent powers subarea");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Dissolution, the latent powers subarea of CSA 135 for fire protection and emergency medical services, be expanded to include the territory of the Yuima MWD;

WHEREAS, the reasons for the proposed sphere of influence amendment and latent powers area expansion are as follows:

(1) To ensure continuity of fire protection and emergency medical service for the territory of the Yuima MWD;

(2) To ensure the long-term security of fire protection service to the communities within the territory of the Yuima MWD; and

(3) To eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service;

WHEREAS, a plan for service prepared pursuant to Government Code Section 56824.12 is provided as Exhibit B;

WHEREAS, the boundaries of the affected territory are depicted in Exhibit A;

WHEREAS, CSA 135 shall use best efforts to improve current Insurance Service Office (ISO) ratings within the expanded latent powers subarea;

WHEREAS, pursuant to the Notice of Exemption filed on August 7, 2018 and Sections 15060(c)(3) and 15378(b)(5) of the California Environment Quality Act (CEQA) Guidelines, the project is exempt from CEQA review;

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

WHEREAS, this request requires a concurrent amendment to CSA 135's fire protection and emergency medical specific sphere of influence and is conditioned on approval of the proposal on file with LAFCO as of August 7, 2018 to divest fire and emergency medical services from the Yuima MWD.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT, pursuant to California Government Code sections 56428 and 25210.2, subdivision (g), application is hereby made to the LAFCO to:

(1) Amend the sphere of influence for fire protection and emergency medical services latent powers within CSA 135 to include the territory of the Yuima MWD; and

(2) Expand the latent power area for fire protection and emergency medical services within CSA 135 to include the territory of the Yuima MWD.

IT IS FURTHER RESOLVED THAT:

(1) The above recitals are true and correct;

(2) The Director, County Fire Authority, or designee, is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer of the LAFCO; and

(3) The Director, County Fire Authority, or designee, is hereby authorized and directed to prepare the necessary LAFCO Application documents, conduct investigations, and take any action necessary to process the application.

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By Suedy Alfaro
Senior Deputy County Counsel

**Resolution No.** 184-18

**A RESOLUTION OF APPLICATION BY THE MOOTAMAI MUNICIPAL WATER DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR DIVESTITURE OF FIRE AND EMERGENCY MEDICAL SERVICES**

**RESOLVED**, by the Board of Directors of the Mootamai Municipal Water District, that

**WHEREAS**, the Board of Directors of the Mootamai Municipal Water District (Mootamai MWD) desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the Divestiture of Fire and Emergency Medical Services (EMS); and

**WHEREAS**, the proposed change of organization includes the following jurisdictional change:

Divestiture of Fire and EMS Services from Mootamai MWD; and

**WHEREAS**, the reason(s) for the proposed change(s) of organization is/are as follows:

(1) Ensure continuity of fire protection and emergency medical service for the territory of the former Mootamai MWD;

(2) Ensure the long-term security of fire protection service to the communities within the territory of Mootamai MWD;

(3) Eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service; and

**WHEREAS**, the map of the current Mootamai MWD territory is attached hereto as Attachment A and by this reference is incorporated herein; and

**WHEREAS**, terms and conditions for the proposed divestiture of fire and EMS services from Mootamai MWD are set forth in Attachment B; and

**WHEREAS**, the proposed divestiture of fire and EMS services from Mootamai MWD is contingent upon the designation of CSA No. 135 as successor to Mootamai MWD to deliver at least all of the Mootamai MWD services at levels no less than those provided by Mootamai MWD on the day immediately prior to the effective date of the proposed divestiture; and

**NOW, THEREFORE**, this Resolution of Application is hereby approved and adopted by the Board of Directors of the Mootamai Municipal Water District. The Local Agency Formation Commission of San Diego County is hereby requested to take proceedings for the proposed change of organization that includes the territory as described in Attachment A according to the terms and conditions in Attachment B and in the manner provided by the Cortese/ Knox/ Hertzberg Local Government Reorganization Act of 2000.

**PASSED AND ADOPTED** by the Board of Directors of the Mootamai Municipal Water District at a regular meeting thereof held on May 2, 2018 by the following vote:

AYES: Schell, Biondi, Larios, Beresford
NOES: none
ABSENT: none
ABSTAIN: none

Julia J. Schell, President
Mootamai Municipal Water District

Norma Larios, Secretary
Mootamai Municipal Water District

Resolution No. 184-18

Mootamai Municipal Water District

**Resolution No. 2018-3**

**A RESOLUTION OF APPLICATION BY THE PAUMA MUNICIPAL WATER DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR DIVESTITURE OF FIRE AND EMERGENCY MEDICAL SERVICES**

**RESOLVED**, by the Board of Directors of the Pauma Municipal Water District, that

**WHEREAS**, the Board of Directors of the Pauma Municipal Water District (Pauma MWD) desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the Divestiture of Fire and Emergency Medical Services (EMS); and

**WHEREAS**, the proposed change of organization includes the following jurisdictional change:

Divestiture of Fire and EMS Services from Pauma MWD; and

**WHEREAS**, the reason(s) for the proposed change(s) of organization is/are as follows:

(1) Ensure continuity of fire protection and emergency medical service for the territory of the former Pauma MWD;

(2) Ensure the long-term security of fire protection service to the communities within the territory of Pauma MWD;

(3) Eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service; and

**WHEREAS**, the map of the current Pauma MWD territory is attached hereto as Attachment A and by this reference is incorporated herein; and

**WHEREAS**, terms and conditions for the proposed divestiture of fire and EMS services from Pauma MWD are set forth in Attachment B; and

**WHEREAS**, the proposed divestiture of fire and EMS services from Pauma MWD is contingent upon the designation of CSA No. 135 as successor to Pauma MWD to deliver at least all of the Pauma MWD services at levels no less than those provided by Pauma MWD on the day immediately prior to the effective date of the proposed divestiture; and

**NOW, THEREFORE**, this Resolution of Application is hereby approved and adopted by the Board of Directors of the Pauma Municipal Water District. The Local Agency Formation Commission of San Diego County is hereby requested to take proceedings for the proposed change of organization that includes the territory as described in Attachment A according to the terms and conditions in Attachment B and in the manner provided by the Cortese/ Knox/ Hertzberg Local Government Reorganization Act of 2000.

**PASSED AND ADOPTED** by the Board of Directors of the Pauma Municipal Water District at a special meeting thereof held on June 4, 2018 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

W.L. Lyall, President
Pauma Municipal Water District

Jon Hoxter, Secretary
Pauma Municipal Water District

Resolution No. 2019-3

Pauma Municipal Water District

Resolution No. 18-120
Meeting Date: 08/07/18 (01)

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA 135 AND EXPAND THE AREA WITHIN COUNTY SERVICE AREA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED INTO THE TERRITORY OF THE YUIMA MUNICIPAL WATER DISTRICT**

WHEREAS, the Board of Directors of the Yuima Municipal Water District ("Yuima MWD") filed an application to the Local Agency Formation Commission ("LAFCO") on June 6, 2018 and authorized, pursuant to the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code Sec 56000, et seq.), the divestiture of fire and emergency medical services from the Yuima MWD and the related amendment of the applicable sphere of influence ("Proposed Divestitures");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Divestiture, the sphere of influence for the latent powers area (fire protection and emergency medical services) of County Service Area ("CSA") 135 (San Diego Regional Communications/Fire Protection) be amended to reflect the territory of the Yuima MWD;

WHEREAS, the latent powers of CSA 135 to provide fire protection and emergency medical services, activated by LAFCO on November 19, 2008, have been exercised pursuant to LAFCO authorization for a geographically limited area within the boundaries of the CSA (hereafter, referenced as "latent powers subarea");

WHEREAS, the Board of Supervisors desires that, concurrently with the Proposed Dissolution, the latent powers subarea of CSA 135 for fire protection and emergency medical services, be expanded to include the territory of the Yuima MWD;

WHEREAS, the reasons for the proposed sphere of influence amendment and latent powers area expansion are as follows:

(1) To ensure continuity of fire protection and emergency medical service for the territory of the Yuima MWD;

(2) To ensure the long-term security of fire protection service to the communities within the territory of the Yuima MWD; and

(3) To eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service;

WHEREAS, a plan for service prepared pursuant to Government Code Section 56824.12 is provided as Exhibit B;

WHEREAS, the boundaries of the affected territory are depicted in Exhibit A;

WHEREAS, CSA 135 shall use best efforts to improve current Insurance Service Office (ISO) ratings within the expanded latent powers subarea;

WHEREAS, pursuant to the Notice of Exemption filed on August 7, 2018 and Sections 15060(c)(3) and 15378(b)(5) of the California Environment Quality Act (CEQA) Guidelines, the project is exempt from CEQA review;

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

WHEREAS, this request requires a concurrent amendment to CSA 135's fire protection and emergency medical specific sphere of influence and is conditioned on approval of the proposal on file with LAFCO as of August 7, 2018 to divest fire and emergency medical services from the Yuima MWD.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT, pursuant to California Government Code sections 56428 and 25210.2, subdivision (g), application is hereby made to the LAFCO to:

(1) Amend the sphere of influence for fire protection and emergency medical services latent powers within CSA 135 to include the territory of the Yuima MWD; and

(2) Expand the latent power area for fire protection and emergency medical services within CSA 135 to include the territory of the Yuima MWD.

IT IS FURTHER RESOLVED THAT:

(1) The above recitals are true and correct;

(2) The Director, County Fire Authority, or designee, is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer of the LAFCO; and

(3) The Director, County Fire Authority, or designee, is hereby authorized and directed to prepare the necessary LAFCO Application documents, conduct investigations, and take any action necessary to process the application.

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By Suedy Alfaro
Senior Deputy County Counsel

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|---|---|---|---|---|---|---|---|
| 1091201100 | 1111002200 | 1111800600 | 1281510700 | 1300503700 | 1300804721 | 1301910500 | 1310202200 |
| 1091201200 | 1111002400 | 1111800700 | 1281510800 | 1300503800 | 1300804722 | 1301910600 | 1310202300 |
| 1091201300 | 1111003800 | 1111800800 | 1281510900 | 1300503900 | 1300804723 | 1301910700 | 1310202400 |
| 1091601500 | 1111003900 | 1111800900 | 1300102600 | 1300504000 | 1300804724 | 1301910800 | 1310400200 |
| 1091601600 | 1111004100 | 1111801100 | 1300102800 | 1300504100 | 1300804725 | 1301910900 | 1310400500 |
| 1091900800 | 1111004300 | 1111801300 | 1300102900 | 1300504200 | 1300804726 | 1301911000 | 1310400600 |
| 1092000200 | 1111004400 | 1111801500 | 1300103100 | 1300504300 | 1300804727 | 1301911100 | 1310400700 |
| 1092000600 | 1111004500 | 1111801700 | 1300103300 | 1300504400 | 1300804728 | 1301911200 | 1310400800 |
| 1092000700 | 1111004600 | 1111801900 | 1300103800 | 1300504500 | 1300804729 | 1301911300 | 1310500200 |
| 1092000900 | 1111004700 | 1111802000 | 1300103900 | 1300600300 | 1300804730 | 1301911400 | 1310500300 |
| 1092001200 | 1111004900 | 1111802100 | 1300104000 | 1300600600 | 1300804731 | 1301911500 | 1310500400 |
| 1093811100 | 1111005000 | 1111802200 | 1300104100 | 1300600700 | 1300804800 | 1301911600 | 1310500500 |
| 1093811200 | 1111100400 | 1111802300 | 1300104200 | 1300600800 | 1300804900 | 1301911700 | 1310601300 |
| 1094010600 | 1111100700 | 1111900100 | 1300104300 | 1300601200 | 1300805000 | 1301911800 | 1310601500 |
| 1094010700 | 1111100800 | 1111900400 | 1300104400 | 1300601300 | 1300805100 | 1301911900 | 1310601600 |
| 1094010800 | 1111101000 | 1111900900 | 1300104500 | 1300601400 | 1300805200 | 1301912000 | 1310601700 |
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| 1110801300 | 1111800400 | 1281510500 | 1300503500 | 1300804719 | 1301910300 | 1310202000 | 1310802200 |
| 1110801700 | 1111800500 | 1281510600 | 1300503600 | 1300804720 | 1301910400 | 1310202100 | 1310802300 |

# Listing of all Affected APNs in Pauma Valley Fire Proposal

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1310802500 | 1311502700 | 1320607400 | 1321201400 | 1321504600 | 1322000800 | 1322703000 | 1323608200 |
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# Listing of all Affected APNs in Pauma Valley Fire Proposal

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1324013900 | 1324204200 | 1324321500 | 1324700900 | 1324706509 | 1330204400 | 1330601000 | 1340802200 |
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Listing of all Affected APNs in Pauma Valley Fire Proposal

# 6d

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst

**SUBJECT:** **CANCELLED |"Orchard Hills Reorganization"**
**Concurrent Annexation to Vallecitos Water District and Detachment from the Vista Irrigation District (RO19-06 et al.)**

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The San Diego County Local Agency Formation Commission (LAFCO) has cancelled this previously scheduled public hearing to consider a reorganization proposal to annex 12.5 acres to Vallecitos Water District and concurrently detach from the Vista Irrigation District. The affected territory is entirely unincorporated and located off Crimson Drive adjacent to the City of San Marcos (218-220-10 and 218-220-17). The purpose of the proposal is to facilitate a County approval to develop the affected territory into a 20-lot residential subdivision. The hearing has been cancelled to allow for additional review of potential environmental impacts based on information received after the original notice was published. It is tentatively anticipated the proposal will be rescheduled for hearing for the October 7th meeting and will include new noticing.

**Administration**
Keene Simonds, Executive Officer
County Operations Center
9335 Hazard Way, Suite 200
San Diego, California 92123
T 858.614.7755 F 858.614.7766
www.sdlafco.org

Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

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# 6e

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Alex Vidal, Local Governmental Analyst I

**SUBJECT:** **Proposed "Lomas de Oro Court Change of Organization" | Detachment from Leucadia Wastewater District (CO19-01 et al.)**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by interested landowners to detach approximately 1.6 acres of incorporated territory in the City of Encinitas from the Leucadia Wastewater District (WWD). The affected territory as submitted consists of two developed single-family residential parcels currently dependent on private septic systems. The purpose of the proposal is to replace the aging septic systems and their ongoing maintenance by connecting the two subject parcels to a planned Encinitas' wastewater main. Staff recommends approval with a modification to expand the detachment to include 0.1 acres of adjacent public right-of-way on El Camino Del Norte along with a conforming sphere amendment for Leucadia WWD; the latter of which necessitates a noticed hearing. Standard terms are also recommended.

## BACKGROUND

### Applicant Request

San Diego LAFCO has received an application from two landowners – Nikolas London and Anthony Brandenburg – requesting approval to detach approximately 1.6 acres of incorporated and developed territory in the City of Encinitas from Leucadia WWD. As

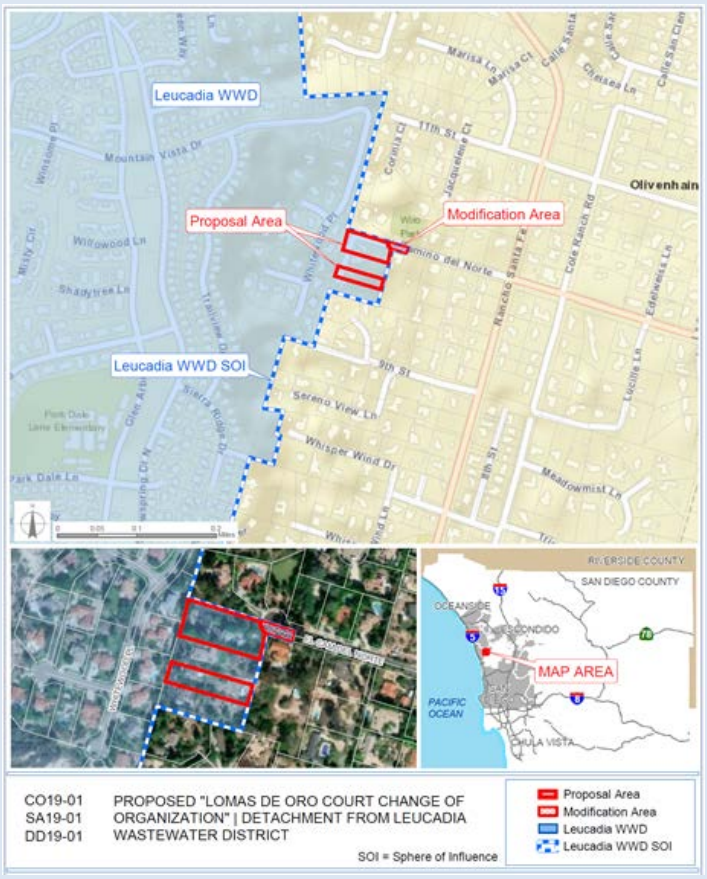
Administration
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San Diego, California 92123
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Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Chair Jo MacKenzie, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

submitted, the affected territory comprises two non-contiguous that are each developed with one single-family residence and identified hereafter as the "Brandenburg residence" at 648 Lomas de Oro Court and the "London residence" at 625 Lomas de Oro Court. The Brandenburg residence is approximately 0.67 acres and the London residence is approximately 0.93 acres and identified by the County of San Diego Assessor's Office as 265-355-40 and 265-355-42, respectively. The affected territory is south of Olivenhain Road, east of Rancho Santa Fe Road, north of Encinitas Boulevard, and west of N. El Camino Real. The Registrar of Voters has confirmed six voters are currently listed in the affected territory.

**Affected Territory**

- Two parcels totaling 1.6 acres at 625 and 648 Lomas de Oro Court
- Each parcel is developed with one single-family residence
- Total of six registered voters
- Located in the City of Encinitas
- Also located in Leucadia WWD … represents < 0.1% of the jurisdictional boundary
- Encinitas' Sewer Master Plan designates territory as part of the Cardiff Sanitary Division




Please refer to Attachment One for a full page vicinity map

## Subject Agencies

The reorganization proposal filed with San Diego LAFCO involves two subject agencies: Leucadia WWD (direct) and City of Encinitas (indirect).[1] A summary of both agencies follow.

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.

- Leucadia WWD is an independent special district formed in 1959 and provides wastewater services (collection, treatment and disposal) within a 15-square mile area that includes the northern portion of the City of Encinitas and the southeastern portion of the City of Carlsbad.[2] Leucadia WWD joined the Encina Joint Powers Authority in 1971 and is a co-owner of the Encina Water Pollution Control Facility located in Carlsbad. [3] LAFCO estimates Leucadia WWD's current resident population at 60,000. LAFCO established a sphere of influence for Leucadia WWD in 1984 and it was most recently affirmed in 2013. Their sphere presently includes 547 non-jurisdictional acres. Leucadia WWD's net position is $59.4 million as of June 30, 2018.

- The City of Encinitas was incorporated in 1986 and governed by an elected five-member council that includes a directly elected mayor. Municipal services directly provided by Encinitas include community planning, public works, and fire protection. Encinitas also provides wastewater and domestic water services within portions of the City with the latter facilitated through a subsidiary, San Dieguito Water District. Policing is contracted to County Sheriff. LAFCO estimates Encinitas' current resident population at 61,204. LAFCO established a sphere of influence for Encinitas in 1985 and it was most recently affirmed in 2008. Their sphere presently includes 798 non-jurisdictional acres. Encinitas' net position is $323 million as of June 30, 2018.

## Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.[4]

- City of Encinitas
- Olivenhain Municipal Water District
- County Service Area No. 17 (San Dieguito Ambulance)
- County Service Area No. 135 (Regional Communications)
- San Diego County Flood Control District
- Conservation District of Greater San Diego County
- San Diego County Water Authority
- Metropolitan Water District of Southern California

## DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the change of organization proposal to detach the affected territory from Leucadia WWD. 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 proposal purpose and Commission focus follows.

[2] Leucadia WWD also provides recycled water within a portion of the City of Carlsbad.
[3] Approximately 20 percent of Encina Water Pollution Control Facility's capacity is controlled by Leucadia WWD.
[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.

## Proposal Purpose

The purpose of the proposal is to accommodate connection to a planned extension of the City of Encinitas wastewater system in order to replace aging underground septic disposal systems serving each subject parcel. The proposed detachment from the Leucadia WWD is required as a condition to establish service by Encinitas as part of a sewer area improvement project titled as the "Olivenhain Sewer Trunk Line Extension." The project is expected to involve the improvement of approximately 2,500 feet of sewer line to increase flow and ultimately allow for lateral connections from the affected territory. The estimated cost for planning, design, and construction is approximately $8.0 million and will be funded in part by participating landowners – including the proposal's applicants – through connection fees.

## Development Potential

The affected territory consists of two developed parcels each with one single-family residence and located within the Olivenhain community planning area of the City of Encinitas. Encinitas' General Plan and Zoning Ordinance contemplate low density residential uses for the subject parcels and marked by prescribing a maximum of two dwelling units per acre. This allowance, notably, prohibits any additional density for either of the two subject parcels. Furthermore, no additional intensity is allowed on either parcel with respect to the development of accessory dwelling units.

## Commission Focus

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

## ANALYSIS

The analysis of the change of organization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and specifically the conforming sphere amendment, change of organization timing, and whether modifications and/or terms are appropriate. The second subsection considers other germane issues required under LAFCO law or other applicable State statutes.

(continued)

## Central Policy Items

**Item No. 1 |**
**Sphere of Influence Amendment**

The proposed change of organization to detach the affected territory from Leucadia WWD necessitates San Diego LAFCO approve a conforming sphere of influence amendment to achieve consistency with the requested boundary change per Government Code Section 56375.5. The scope of the amendment involves removing all of the affected territory from the Leucadia WWD sphere. Consideration of the amendment is premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community needs as determined by LAFCO. The staff review suggests an amendment is sufficiently justified. The underlying merit is marked by the planning investment made by Encinitas to establish wastewater service to the affected territory as part of an area-wide public works project and whereas no such planning has been performed by Leucadia WWD.

**Conclusion | Merits of the Sphere Amendment**

Approval of the sphere of influence amendment to exclude the affected territory comprising the Brandenburg and London residences from Leucadia WWD is warranted. Justification is marked by the preceding analysis and serves to recognize the City of Encinitas – and not Leucadia WWD – is the appropriate wastewater provider to the affected territory going forward. Additional analysis supporting the conclusion – including addressing the specific factors required under LAFCO law – is provided as part of Appendix A.

**Item No. 2 |**
**Change of Organization Timing**

The proposal involves one jurisdictional change to detach the affected territory from Leucadia WWD. Staff's review of the proposal suggest the timing of this change is sufficiently justified and highlighted by the analysis of the dozen-plus factors required for consideration under LAFCO law anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts of the proposed change of organization on the administrative, service, and financial capacities of the receiving agency: City of Encinitas. No single factor is determinative and the intent is to provide a uniform baseline for LAFCO in considering all jurisdictional changes in context to the Commission's own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with a complete analysis provided in Appendix B.

- Service Needs
  The affected territory is currently planned and developed for residential use within an urbanizing area of the City of Encinitas. The affected territory also lies within both the jurisdictional boundaries of Leucadia WWD and Encinitas, but remain on private septic systems. Ongoing maintenance costs of the septic systems have prompted the applicants to affirmatively respond to an Encinitas survey of area landowners and participate in connecting the subject parcels to a planned extension of a nearby wastewater trunk line (Olivenhain) along El Camino del Norte and within the City's Cardiff Sanitary Division. Encinitas requires the applicants to detach from Leucadia WWD as a condition of service. Images showing the location of the affected territory in relation to the surrounding wastewater providers can be seen in Attachment Two.

- Service Capacities and Levels
  The City of Encinitas' ability to provide wastewater service to the affected territory is contingent upon the completion of the planned Olivenhain Trunk Sewer Improvement Project to improve capacity in the collection system. Images indicating the location of the affected territory in relation to the capital improvement project can be seen in Attachment Three. Additional details follow.

  - The affected territory is located adjacent to and would be included in Encinitas' Cardiff Sanitary Division upon formal connection. The Cardiff Sanitary Division comprises Encinitas' southern and eastern perimeters with an estimated resident population of 19,600 and is one of two wastewater collection systems within the City. Flows generated within the Cardiff Sanitary Division are collected in one of four trunks and then conveyed by gravity to the San Elijo Wastewater Recovery Facility (WRF).

  - It is projected the average day wastewater demand generated within the affected territory is 400 gallons and based on the current maximum development allowance of single-family residences on each subject parcel under Encinitas zoning. This amount represents 0.02% of the existing available capacity at the San Elijo WRF, and as such can be readily accommodated without additional resources or infrastructure planning.

- Service Funding and Costs
  The City of Encinitas has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its current and planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Encinitas' recent audited statements which shows the City has maintained positive total margins in each of the last three years at an average of 5.8%. Additional details specific to wastewater operations follow.

- The applicants are participating in the costs associated with extending the trunk line necessary to accommodate additional flows to the San Elijo WRF through the payment of connection fees. Once connected the applicants will be responsible for usage charges, which currently total $344 per year.

**Conclusion | Merits of Change of Organization Timing**

The timing of the change of organization and detachment therein of the affected territory from the Leucadia WWD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area and synchs with Encinitas' planned infrastructure capacities and infrastructure. Additional analysis supporting the conclusion is provided in Appendix B.

**Item No. 3 |**
**Modifications and Terms**

Staff believes one modification to the submitted change of organization proposal is appropriate and it involves San Diego LAFCO expanding the detachment from Leucadia WWD to include 0.11 acres of adjacent public right-of-way on El Camino Del Norte. This recommended modification produces a more orderly governmental boundary distinction between the City of Encinitas and Leucadia WWD and avoids the creation of a service "island" for the District. Modifying the proposal to include the adjacent public right-of-way may also be accomplished without additional notice. Applying standard terms also appears appropriate given no special or unique conditions have been identified.

**Conclusion | Modifications and Terms**

Modifying the proposal to include the adjacent 0.11 acre public right-of-way on El Camino Del Norte is appropriate and helps delineate the appropriate demarcation of wastewater responsibilities between Leucadia WWD and City of Encinitas. Standard terms are also recommended

## Other Statutory Considerations

**Exchange of Property Tax Revenues**

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. Towards this end, staff has confirmed the County of San Diego Board of Supervisors has adopted a Master Enterprise District Resolution applicable to the proposed change of organization.

The application of this master tax exchange agreement will result in a "no" exchange.

**Environmental Review**

The California Environmental Quality Act (CEQA) requires San Diego LAFCO to assess whether impacts to the environment 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 with respect to considering the applicants' proposal. This involves the (a) accommodating sphere of influence amendment and the (b) detachment. Staff's analysis and recommendations follow.

- San Diego LAFCO serves as lead agency under CEQA for the accommodating sphere of influence amendment to Leucadia WWD to remove the affected territory as modified to include the two subject parcels and adjacent public right-of-way. Staff has determined the activity is a project under CEQA, but exempt from further review under the "general rule" provision provided under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and any amendments do not change the environment or authorize any new uses or services.

- San Diego LAFCO also serves as lead agency under CEQA for the proposed change of organization involving detachment of the affected territory as modified to include the two subject parcels and adjacent public right-of-way from Leucadia WWD. Staff has determined the proposed detachment is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15320. This exemption appropriately applies given the affected territory is already located in an authorized wastewater service provider and the detachment will not change the geographic area where previously-existing service powers are authorized and exercised.

**Protest Proceedings**

Protest proceeding for the change of organization may be waived by San Diego LAFCO under Government Code Section 56662 should the Commission proceed with an approval. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agency and landowners have provided their respective written consents to the underlying proceedings. Further, the addition of the adjacent public right-of-way does not require protest proceedings. [5]

(continued)

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

## RECOMMENDATION

Staff recommends approval of the change of organization proposal with modification to add 0.11 acres of adjacent public right-of-way along with conforming sphere of influence amendment consistent with Alternative One as outlined in the proceeding section. Approval facilitates an orderly and otherwise modest expansion of wastewater services to the affected territory and its two developed single-family residences. Approval, notably, further reflects changing local conditions and recognizes the City of Encinitas' ability to provide wastewater service to the affected territory supersedes the ability of Leucadia WWD.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Adopt the attached draft resolution approving the change of organization proposal to detach the affected territory plus the adjacent 0.11 acres of public right-of-way from Leucadia WWD with a confirming sphere amendment and subject to standard terms.

Alternative Two:
Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:
Disapprove the proposal with direction to the Executive Officer to return at the next regular meeting with a conforming resolution for adoption.

## PROCEDURES FOR CONSIDERATION

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

1) Receive verbal report from staff unless waived;
2) Invite comments from the applicants;
3) Open the hearing and invite audience comments; and
4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Alex Vidal
Local Government Analyst

Appendices:
A) Analysis of Sphere Change Factors
B) Analysis of Boundary Change Factors

Attachments:
1) Vicinity Map
2) Wastewater Agencies Map
3) Public Infrastructure Extension Map
4) Draft Resolution of Approval
5) Proposal Materials

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**APPENDIX A**
**Government Code Section 56425**
**Sphere of Influence Determinations**

**1) The present and planned land uses, including agricultural and open-space lands.**

The affected territory is entirely incorporated within the City of Encinitas. Both subject parcels are developed with single-family residences consistent with current City zoning and cannot be further developed through additional density or intensity. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law. Removal of the affected territory from the Leucadia WWD sphere of influence is consistent with these present and planned land uses.

**(2) The present and probable need for public facilities and services in the area.**

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential uses of the affected territory and its two subject parcels consistent with the surrounding and developing area of the City of Encinitas. Encinitas has planned a public works project to make wastewater service available to the affected territory whereas no such plans exists involving Leucadia WWD. Removal of the affected territory from the Leucadia WWD sphere of influence reflects these service conditions.

**(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

A current public works projected is underway by the City of Encinitas to improve collection capacity with the sewer trunk line that would be responsible for connecting and conveying wastewater flows from the affected territory to the San Elijo WRF for treatment and disposal. Sufficient capacity exists at the San Elijo WRF to accommodate projected maximum flows generated from the affected territory without additional improvements. Removing the affected territory from Leucadia WWD reflects these planned improvements.

**(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 established social and economic ties with both Leucadia WWD and the City of Encinitas. These ties are measurably stronger with Encinitas given the affected territory is already dependent on the City for a range of municipal services. The proposal and the conforming amendment to remove the affected territory from the Leucadia WWD sphere of influence recognizes this latter relationship and further consolidates management of municipal services for the affected territory under Encinitas.

**(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

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The affected incorporated territory does not qualify as a disadvantaged unincorporated community under State statute or local policy.

## APPENDIX B

## Government Code Section 56668
## Proposal Review Factors

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

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The affected territory with the recommended modification is approximately 1.72 acres in size. It includes two distinct and noncontiguous subject parcels developed with one single-family home – the Brandenburg residence totaling approximately 0.67 acres and the London residence totaling approximately 0.93 acres – along with an adjacent public right-of-way. Both subject parcels are incorporated and located within the Olivenhain community planning area of the City of Encinitas. No new development is associated with the proposed change of organization and existing City land use policies do not accommodate any significant new growth within or adjacent to the affected territory. The County Registrar of Voters has confirmed that 6 registered voters reside within the affected territory.

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

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The City of Encinitas acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, street lighting, and law enforcement. There are also several local governmental agencies that provide individual services to the affected territory. This includes County Service Area No. 17 (San Dieguito Ambulance), County Service Area No. 135 (Regional Communications), the Resource Conservation District of Greater San Diego County (watershed & soil conservation) and San Diego County Flood Control District (flood control). The affected territory and its two subject parcels also lie within Leucadia WWD, but remain on private septic systems. Detachment from Leucadia WWD will allow the subject incorporated parcels to proceed with lateral connections to the City's planned expansion of its wastewater collection system.

A planned public works infrastructure improvement project is underway to facilitate a lateral connection for the affected territory to Encinitas' collection system. It is projected the average day wastewater demand generated within the affected territory is 400 gallons and based on the current maximum development allowance of single-family residences on each subject parcel under Encinitas zoning. This amount would represent 0.02% of the existing available capacity at the San Elijo WRF, and as such can be readily accommodated by Encinitas without additional resources or infrastructure planning.

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

Approval of the change of organization proposal to detach the affected territory from Leucadia WWD would support the affected territory's evolving social and economic ties to an urbanizing area of the City of Encinitas. The timing of the change of organization and detachment therein of the affected territory from the Leucadia WWD is warranted. Justification is based on the need for wastewater service in a developing urban area and synchs with Encinitas' planned infrastructure capacities.

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

The proposed detachment of the affected territory from Leucadia WWD facilitates additional synching of urban-supporting services under one central provider, City of Encinitas. The proposal would not induce or otherwise facilitate the loss of open-space lands, and as such does not conflict with Government Code Section 56377.

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

No portion of the affected territory qualifies as agricultural lands under LAFCO law. The change of organization proposal is specific to detachment of the affected territory from Leucadia WWD and would have no effect on maintaining the physical and economic integrity of any agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards as well as to reflect any modifications as approved by the Commission. The affected territory does not cross lines of assessment.

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

The proposal does not involve new development or other changes that would generate or otherwise affect traffic, transportation, or circulation. Therefore, the proposal will not conflict with San Diego Forward, the regional transportation plan prepared and adopted by San Diego Association of Governments or SANDAG.

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

The affected territory is entirely incorporated within the City of Encinitas and subject to its adopted land use policies. Encinitas' General Plan and Zoning Ordinance contemplate low density residential uses for the two subject parcels and marked by prescribing a maximum of two dwelling units per acre. These land uses are consistent with the ultimate purpose of the proposal to facilitate connection to the City's wastewater system.

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

Proposal approval necessitates a conforming amendment to Leucadia WWD's sphere of influence to exclude the affected territory. Consideration of this conforming amendment is detailed in Appendix A.

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

Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

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

Information collected and reviewed as part of this proposal indicates the City of Encinitas has established sufficient financial resources and administrative controls therein relative to assuming public wastewater responsibilities to the affected territory without adversely impacting existing ratepayers. This statement is supported by the following factors.

- Encinitas' last audit covers 2017-2018 and shows the District finished with adequate liquidity levels with an agency-wide current ratio of 4.4 to 1 (i.e., $4.40 in current assets for every $1.00 in current liabilities).

- Encinitas' finished 2017-2018 with sufficient capital as evident by a relatively modest debt ratio of 41% (i.e., $59 out of every $100 in net assets are free from financing.)

- Encinitas' last three audited fiscal years shows the City has maintained positive total margins in each of the last three years at an average of 5.8%.

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

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The affected territory's existing residential uses are already within and connected to Olivenhain Municipal Water District's domestic water system. Approval of the change of organization would not affect the timely availability of water supplies to the affected territory. Further, no comments on the proposal were received from Olivenhain.

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

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The proposal does not involve new development or other changes that may impact any local agencies in accommodating their regional housing needs. All potential residential units associated with the affected incorporated territory are already assigned to the City of Encinitas. This assignment would not change as a result of proposal being approved.

**n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

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The affected territory is uninhabited as defined LAFCO law (11 registered voters or less). The landowner supports the annexation underlying the change of organization and has provided their written consent to the proceedings. Further, the recommendation to modify the proposal to include a portion of the adjacent public right-of-way does not introduce a new "landowner" as defined under LAFCO statute.

**o) Any information relating to existing land use designations.**

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The City of Encinitas zones the affected territory as rural residential (RR-2). This designation specifies the maximum density as two dwelling units per acre and prohibits additional density or intensity.

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

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As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed change of organization involves detachment of the affected territory and does not include locating new public facilities. Therefore, the proposed change of organization is not anticipated to directly influence the promotion of environmental justice within the affected territory.

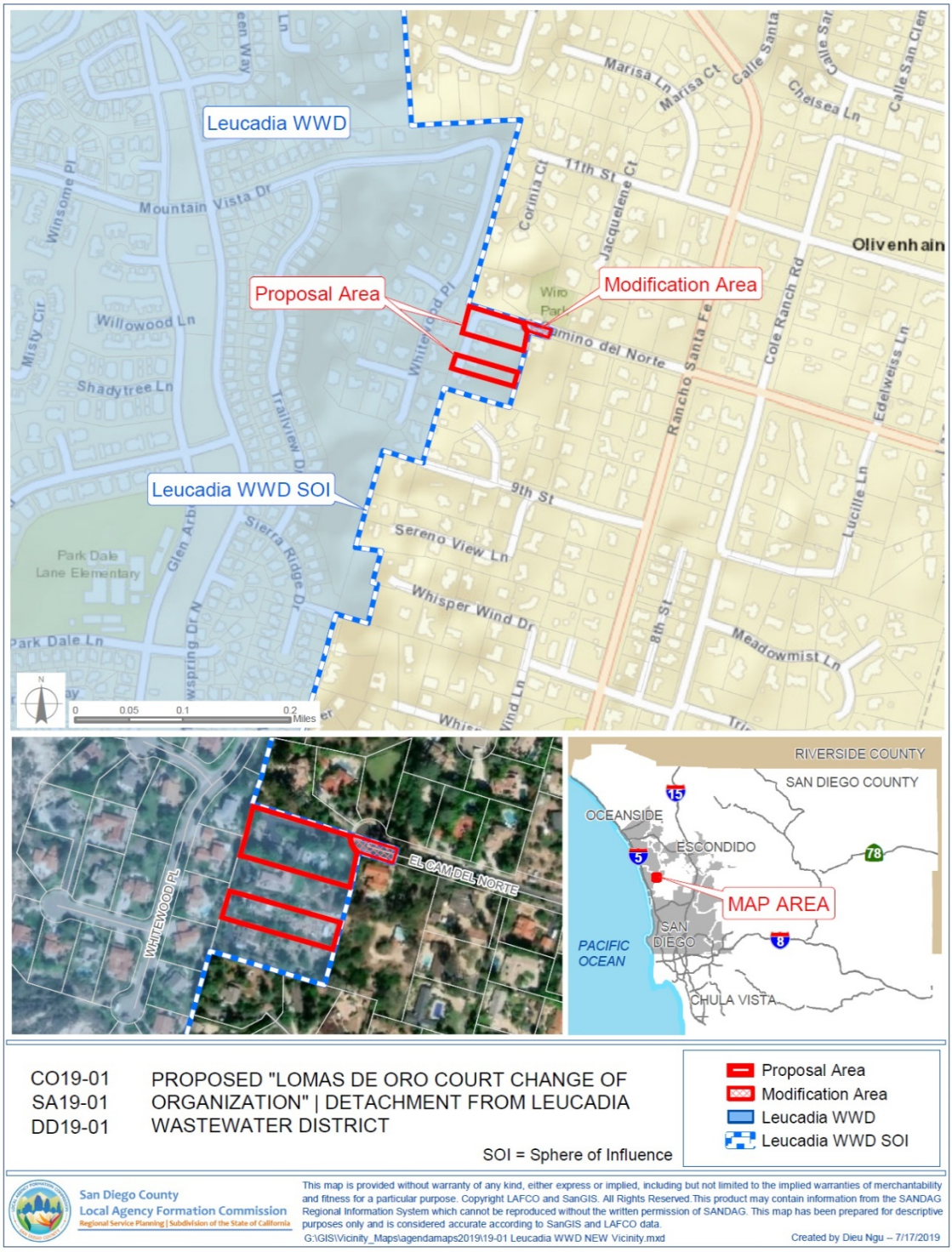
**q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information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

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The affected territory is not identified on State maps as located within very high fire hazard zones and state responsibility areas. The affected territory is entirely incorporated and subject to the safety element of the City of Encinitas General Plan.

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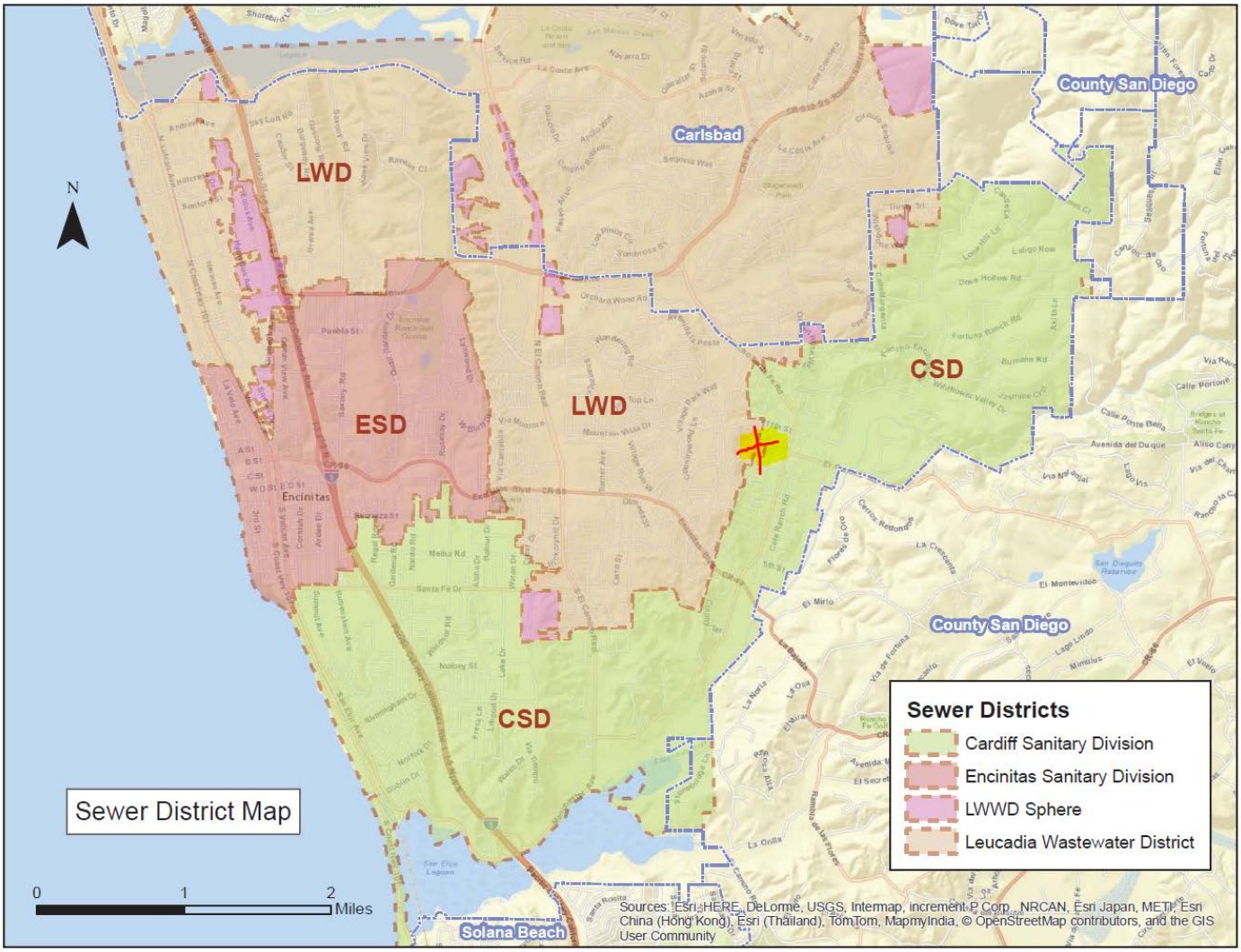
## Attachment One
## Affected Territory Map




The affected territory also includes an additional area of 0.11 acres along El Camino Del Norte for the purpose of discouraging the formation of an island within Leucadia WWD's sphere of influence.

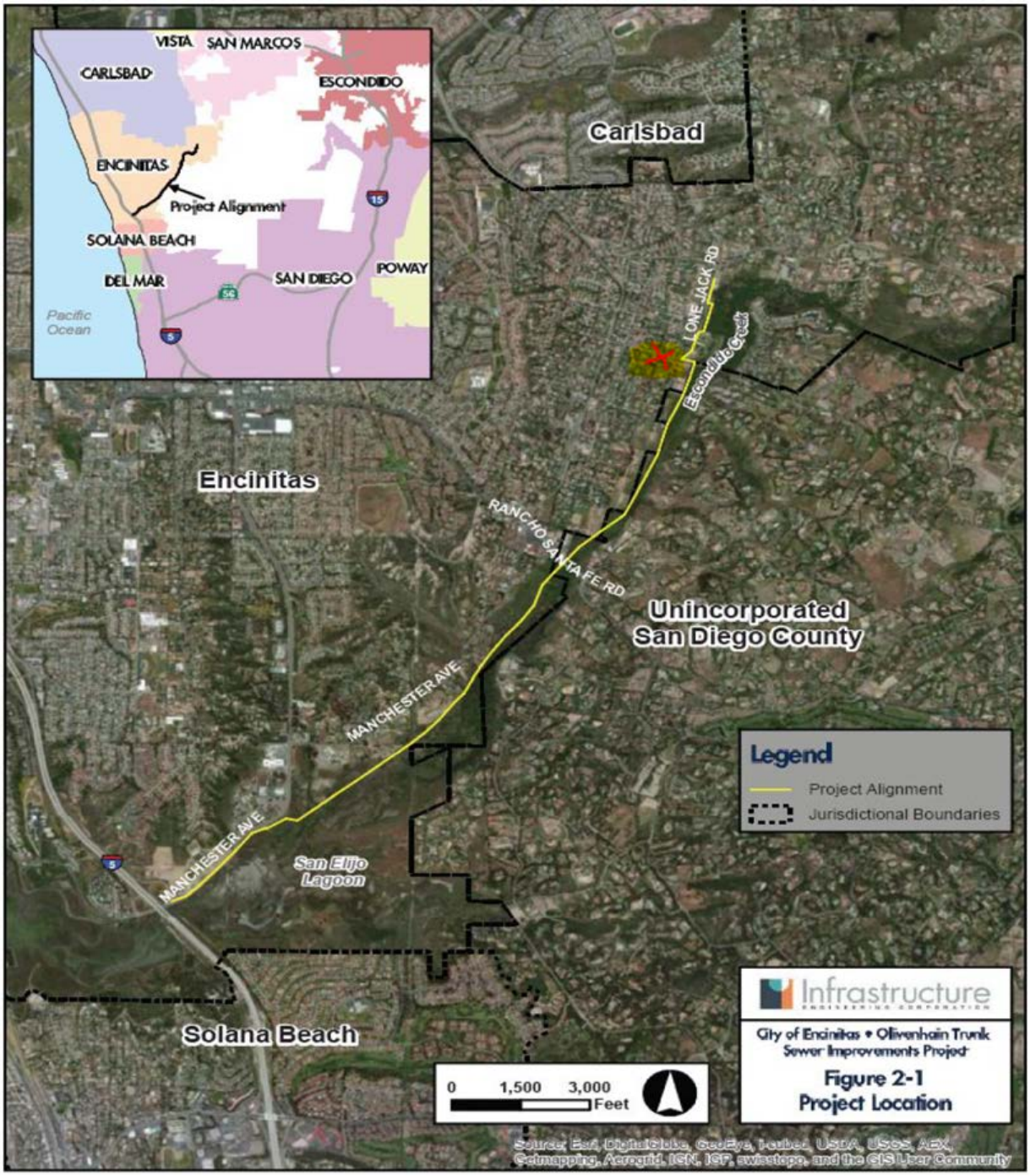
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## Attachment Two
## Sewer Districts Map



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## Attachment Three
## Public Infrastructure Extension Map



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**RESOLUTION NO. ___**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

**MAKING DETERMINATIONS, ORDERING AND APPROVING
A CHANGE OF ORGANIZATION AND
ASSOCIATED SPHERE OF INFLUNCE AMENDMENT**

**LOMAS DE ORO COURT CHANGE OF ORGANIZATION -
DETACHMENT FROM THE LEUCADIA WASTEWATER DISTRICT
LAFCO FILE NOS. SA19-01; CO19-01; DD19-01**

**WHEREAS**, Nikolas John Stranger and Vanessa Ayumi London have filed a landowner petition proposal with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000, et seq.); and

**WHEREAS,** the proposal seeks approval for a change of organization involving detachment of approximately 1.60 acres of incorporated territory from the Leucadia Wastewater District for the purpose of connection to the City of Encinitas wastewater system; and

**WHEREAS,** the affected territory as proposed comprises two incorporated parcels identified by the County of San Diego Assessor's Office as 265-355-40 and -42, each developed with one single-family residence; and

**WHEREAS,** the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 5, 2019;

**WHEREAS,** the Commission considered all the factors required under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and adopted local policies.

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

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

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

3. The affected territory as modified is shown as "Exhibit A" and further described as "Exhibit B."

4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) an accommodating sphere of influence amendment and (b) the detachment itself. The Commission's findings follow.

    a) The amendment to the sphere of influence of the Leucadia Wastewater District to exclude the affected territory as modified qualifies as a project but is exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.

    b) The change of organization involving detachment of the affected territory as modified from the Leucadia Wastewater District qualifies as a project but is exempt from additional review under per State CEQA Guidelines § 15320. This exemption appropriately applies given the affected territory is already located within an authorized wastewater service provider and the detachment will not change the geographic area where previously-existing service powers are authorized and exercised.

5. The Commission conditionally APPROVES the proposal with a conforming sphere of influence amendment as shown and described in Exhibits A and B along with a modification to include 0.11 acres of adjacent public right-of-way on El Camino Del Norte. The following conditions apply and must be satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:

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

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

    c) Written confirmation from the Leucadia Wastewater District all required detachment fees or charges have been received.

d) Submittal to the Commission of the following payments:

A check made payable to LAFCO in the amount of $100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

A check made payable to LAFCO in the amount of $409.32 to reimburse for the public hearing notice publication.

A check made payable to the State Board of Equalization for processing fees in the amount of $350.00.

6) The Commission assigns the proposal the following short-term designation:

"Lomas De Oro Court Change of Organization from the Leucadia Wastewater District"

7) In approving the conforming sphere of influence amendment to the Leucadia Wastewater District the Commission makes the statements provided as "Exhibit C."

8) The affected territory as designated by the Commission is uninhabited as defined in Government Code § 56046.

9) The Commission waives conducting authority proceedings per Government Code § 56662.

10) The Leucadia Wastewater District is a registered-voter district.

11) The Leucadia Wastewater District utilizes the County of San Diego assessment roll.

12) The affected territory as modified will be liable for any existing bonds, contracts, and/or obligations of the Leucadia Wastewater District as provided under Government § 57328.

13) The effective date of the approval and corresponding jurisdictional change shall be the date of recordation but not before September 4, 2019.

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

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

Passed and adopted by the Commission this 5th day of August 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Luckett, Executive Assistant
San Diego Local Agency Formation Commission

**EXHIBIT C**
**Government Code Section 56425**
**Sphere of Influence Determinations**

**1) The present and planned land uses, including agricultural and open-space lands.**

The affected territory is entirely incorporated within the City of Encinitas. Both subject parcels are developed with single-family residences consistent with current City zoning and cannot be further developed through additional density or intensity. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law. Removal of the affected territory from the Leucadia WWD sphere of influence is consistent with these present and planned land uses.

**(2) The present and probable need for public facilities and services in the area.**

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential uses of the affected territory and its two subject parcels consistent with the surrounding and developing area of the City of Encinitas. Encinitas has planned a public works project to make wastewater service available to the affected territory whereas no such plans exists involving Leucadia WWD. Removal of the affected territory from the Leucadia WWD sphere of influence reflects these service conditions.

**(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

A current public works projected is underway by the City of Encinitas to improve collection capacity with the sewer trunk line that would be responsible for connecting and conveying wastewater flows from the affected territory to the San Elijo WRF for treatment and disposal. Sufficient capacity exists at the San Elijo WRF to accommodate projected maximum flows generated from the affected territory without additional improvements. Removing the affected territory from Leucadia WWD reflects these planned improvements.

**(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 established social and economic ties with both Leucadia WWD and the City of Encinitas. These ties are measurably stronger with Encinitas given the affected territory is already dependent on the City for a range of municipal services. The proposal and the conforming amendment to remove the affected territory from the Leucadia WWD sphere of influence recognizes this latter relationship and further consolidates management of municipal services for the affected territory under Encinitas.

**(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 incorporated territory does not qualify as a disadvantaged unincorporated community under State statute or local policy.

# PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

## Part I: NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a **NOTICE OF INTENT TO CIRCULATE PETITION** with the Executive Officer of the San Diego Local Agency Formation Commission before a petition to initiate a change of organization or reorganization can be circulated (Govt. Code § 56700.4).

1. Notice is hereby given to circulate a petition proposing to: Detach property from Leucadia Wastewater District

2. The reason(s) for the proposal are: To participate in a gravity sewer to be constructed to connect to an existing Cardiff Sanitary Division sewer main

Nikolas and Vanessa London / Anthony Brandenburg — Proponent's Name (print)

Signature of proponent or representative — 11/18/19

625 and 648 Lomas De Oro Court, — Proponent's Address

Encinitas, CA 92024 — City, State, Zip

Pursuant to Section 56700.4 of the California Government Code, this **NOTICE OF INTENT TO CIRCULATE PETITION** was filed with me on _____
Date

_____
Executive Officer (Print and Sign)

## PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than $250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and LAFCO disclosure forms are available at HTTP://WWW.SDLAFCO.ORG or by calling 858/614-7755.

Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes $1,000 or more, or expend $1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures.

Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes $1,000 or more, or expends $1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of San Diego LAFCO.

## Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(a) The specific change(s) of organization proposed is/are: Leucadia Wastewater District and Cardiff Sanitary Division

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: _____

(d) The reason(s) for the proposal is/are: To participate in a gravity sewer to be constructed to connect to an existing Cardiff Sanitary Division sewer main

(e) Signers of this petition have signed as (select one): ☑ landowner; ☐ registered voter.

(f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

1. Nikolas John Stranger London — 625 Lomas De Oro Court, Encinitas, CA 92024
   Name of chief proponent (print) — mailing address
2. Vanessa Ayumi London — 625 Lomas De Oro Court, Encintias, CA 92024
   Name of chief proponent (print) — mailing address
3. Anthony J. Brandenburg, Trustee * — 648 Lomas De Oro Court, Encinitas, CA 92024
   Name of chief proponent (print) — mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) ☑ is ☐ is not consistent with the sphere-of-influence of any affected city or district.

(i) The territory included in the proposal is (select one) ☐ inhabited (12 or more registered voters) ☑ uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are: _____
2. The proposed name(s) of the new district(s) is/are: _____
3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: _____
2. Provisions are requested for appointment of: ☐ city manager ☐ city clerk ☐ city treasurer

(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: _____

## Part IVb: LANDOWNER PETITION

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

**Each of the undersigned states:**

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

| Name of Signer | Assessor's Parcel Number(s) | Date Signed | Official Use |
|---|---|---|---|
| Sign _____<br>Print Nikolas John Stanger London | 265-355-42 | 1/21/2019 | |
| Sign _____<br>Print Vanessa Ayumi London | 265-355-42 | 1/18/19 | |
| Sign _____<br>Print Anthony J. Brandenburg, Trustee | 265-355-40 | 1/22/19 | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |

## Part V: MINIMUM SIGNATURE REQUIREMENT FOR A SUFFICIENT PETITION UNDER THE PROVISIONS OF THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

**Reorganization**—Signatures must comply with the applicable signature requirements for each of the changes proposed (Govt. Code § 56864.1).

**District Formation**—Signatures as required by the principal act under which the new district is proposed to be formed (Govt. Code § 56860).

**Dissolution of a District**—For registered voter district: signatures by (a) not less than 10% of the registered voters within the district; or (b) not less than 10% of the number of landowners within the district who also own not less than 10% of the assessed value of land within the district.

—For landowner-voter districts: signatures by not less than 10% of the number of landowners within the district who also own not less than 10% of the assessed value of land within the district.

—If dissolution is for inactivity, the petition must be signed by three or more registered voters or landowners within the subject district and include statement and recitations as required by Govt. Code 56871 (Govt. Code § 56870).

**Consolidation of Districts**—For registered voter districts: signatures by not less than 5% of the registered voters within each of the districts.

—For landowner-voter districts: signatures by landowners-voters constituting not less than 5% of the number of landowner-voters owning land within each of the several districts who also own not less than 5% of the assessed value of land within each of the districts (Govt. Code § 56865).

**Merger of District with City or Establishment of a Subsidiary District**—For a registered voter district: signatures by (a) 5% of the registered voters of the district; or (b) 5% of the registered voters residing within the territory of the city outside the boundaries of the district.

—For a landowner-voter district: signatures by (a) 5% of the number of landowner-voters within the district; or (b) 5% of the registered voters residing within the territory of the city outside the boundaries of the district (Govt. Code § 56866).

**District Annexation or Detachment**—For a registered voter district: signatures by (a) not less than 25% of the number of registered voters within the territory proposed to be annexed or detached; or (b) not less than 25% of the number of landowners within the territory proposed to be annexed or detached who also own not less than 25% of the assessed value of land within the territory.

—For a landowner-voter district: signatures by not less than 25% of the number of landowners owning land within the territory proposed to be annexed or detached who also own not less than 25% of the assessed value of land within the territory (Govt. Code § 56864).

**Incorporation of a City**—Signatures by: (a) not less than 25% of the registered voters residing in the area to be incorporated; or (b) not less than 25% of the number of owners of land within the territory proposed to be incorporated who also own not less than 25% of the assessed value of land within the territory proposed to be incorporated (Govt. Code § 56764).

**Disincorporation of a City**—Signatures by not less than 25% of the registered voters residing in the city proposed to be disincorporated (Govt. Code § 56766).

**Consolidation of Cities**—Signatures by not less than 5% of the registered voters of each affected city (Govt. Code § 56766).

**Annexation to a City**—Signatures by: (a) not less than 5% of the number of registered voters residing within the territory proposed to be annexed; or (b) not less than 5% of the number of owners of land within the territory proposed to be annexed who also own 5% of the assessed value of land within the territory (Govt. Code § 56767).

**Detachment from a City**—Signatures by: (a) not less than 25% of the number of registered voters residing within the territory proposed to be detached; or (b) not less than 25% of the number of owners of land within the territory proposed to be detached who also own 25% of the assessed value of land within the territory (Govt. Code § 56768).

# 6f

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst

**SUBJECT:** **Proposed "Salem-Snyder Road Change of Organization" | Annexation to Otay Water District (File No. DA19-02)**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by an interested landowner to annex approximately 1.5 acres of unincorporated territory to the Otay Water District (WD). The affected territory as submitted is developed with one single-family residence and located within the Valle De Oro community. The proposal purpose is to extend wastewater service to the affected territory and in doing so replace an aging on-site underground septic disposal system. Staff recommends approval of the proposal with a conforming sphere of influence amendment, which necessitates the noticed public hearing. Standard terms are also recommended.

## BACKGROUND

### Applicant Request | Affected Territory as Proposed

San Diego LAFCO has received a proposal filed from landowner Auday Salem requesting approval to annex approximately 1.49 acres of unincorporated territory in Valle De Oro to Otay WD. As submitted, the affected territory comprises one entire parcel already developed with a single-family residence with a situs of 10610 Snyder Road. The existing single-family residence was built in 1958 and is 3,033 square feet in size with four bedrooms and three bathrooms. The County Assessor identifies the subject parcel as 497-011-37.

**Administration**
Keene Simonds, Executive Officer
County Operations Center
9335 Hazard Way, Suite 200
San Diego, California 92123
T 858.614.7755 F 858.614.7766
www.sdlafco.org

Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista ID
Barry Willis, Alpine FPD
Erin Lump, Alternate, Rincon Del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

## Affected Territory

- One unincorporated parcel (1.49 acres in size)
- Developed with a single-family residence at 10610 Snyder Road (four bedrooms/three bathrooms)
- Currently on onsite septic system
- Applicant is requesting annexation to Otay WD for wastewater service to residence – not located within sphere of influence
- Water service provided by the Helix Water District
- Within Valle De Oro Community Plan
- No associated development plans

Please refer to Attachment One for a full page vicinity map




## Subject Agencies

The proposed change of organization involves one subject agency: Otay WD.[1] A summary description of Otay WD follows.

- Otay WD is an independent special district formed in 1956 for the central purpose of providing water services within an approximate 125.5 square-mile jurisdictional boundary and projected resident service population of 225,164. Otay WD also provides wastewater and recycled water services within portions of its jurisdictional boundary. The jurisdictional boundary includes the unincorporated communities of Spring Valley, La Presa, Rancho San Diego, and Jamul as well as an eastern portion of the City of Chula Vista. Wastewater services are limited to the northern half of the jurisdictional boundary and consists of 6.7 square miles of sewer lines that collects and conveys wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. [2]LAFCO most recently updated Otay WD's sphere of influence in 2013 and it presently includes 776 non-jurisdictional acres and equals less than 1% of the jurisdictional boundary. The net position is $387.5 million as of July 30, 2018.

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
[2] Sludge is subsequently conveyed to the San Diego Metropolitan Wastewater (METRO) for additional treatment and disposal.

## Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.[3]

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

**DISCUSSION**

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the applicant's change of organization proposal to annex the affected territory to Otay WD. 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 the proposal purpose and Commission focus follows.

## Proposal Purpose

The purpose of the proposal is to facilitate the extension of public wastewater service to an existing single-family residence comprising the affected territory in step with removing an aging septic disposal system. Annexation and connection to the Otay WD wastewater system would serve as an alternative to repairing and/or replacing the septic system.

## Development Potential

The affected territory as proposed and detailed in Appendix B is planned for low-density single-family residential use by the County of San Diego. These uses are memorialized under the County's Zoning Ordinance, which assigns the affected territory as Rural Residential and a minimum lot size of 1.0 acres. This assignment precludes additional density within the affected territory given the subject parcel is 1.49 acres in size. Additional intensity, however, is permissible through an accessory unit. The affected territory lies outside the spheres of influence for all nearby cities (La Mesa and El Cajon).

## Commission Focus

Three central and sequential policy items underlie the San Diego LAFCO's consideration of the change of organization. These policy items take the form of new determinations and

[3] State law defines "affected local agency" as any entity that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered.

orient the Commission to consider the stand-alone merits of (a) a conforming sphere of influence amendment, (b) timing of the change of organization, and (c) whether discretionary boundary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in and outside of LAFCO law as detailed.

## ANALYSIS

The analysis of the change of organization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and specifically the conforming sphere amendment, change of organization timing, and whether modification and/or terms are appropriate. The second subsection considers other germane issues required under LAFCO law or other applicable State statutes and highlighted by the California Environmental Quality Act (CEQA).

### Central Policy Items

**Item No. 1 |**
**Sphere of Influence Amendments**

The change of organization proposal necessitates San Diego LAFCO approve a conforming sphere of influence amendment to achieve consistency with the requested annexation pursuant to Government Code Section 56375.5. Consideration of the amendment is premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community benefits and needs as determined by LAFCO. To this end, staff believes it would be appropriate for the Commission to proceed and approve the amendment for the cumulative effect of recognizing Otay WD as the best current and future wastewater service provider for the affected territory given four related policy factors. First, the affected territory lies in a developing residential community of Valle De Oro in which Otay WD is an established wastewater provider. Second, the affected territory is immediately adjacent to an existing Otay WD wastewater main. Third, an amendment would appropriately memorialize a Commission preference to promote the planning and connection therein to a public wastewater system in developing residential areas and eliminate private septic systems whenever feasible. Fourth, the sphere of influence amendment to include the affected territory is self-contained and would not require additional lands in maintaining contiguity. Additional analysis is provided under Appendix A.

**Conclusion | Merits of the Sphere Amendments**

Approval of the sphere of influence amendment to designate Otay WD as the appropriate provider of public wastewater service for the affected territory is warranted. Justification is marked by the preceding analysis and highlighted by proceeding with a relatively minor amendment to synch the Otay WD sphere to include a developed urban use consistent with the County General Plan and Zoning Ordinance. Additional analysis supporting the conclusion is provided in Appendix A.

**Item No. 2 |**
**Change of Organization Timing**

The timing of the change of organization appears appropriate and highlighted by the analysis of the factors required for consideration under statute anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts of the proposed annexation on the service and financial capacities of the *receiving* agency, Otay WD (emphasis added). No single factor is determinative, and the intent is to provide a uniform baseline for San Diego LAFCO in considering all jurisdictional changes in context to the Commission's own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with a complete analysis in Appendix B.

- Service Needs
  Annexation of the affected territory to Otay WD would represent a logical and orderly expansion of the District's jurisdictional boundary and wastewater services therein and marked by accommodating an existing need. Additional details follow.

  - Establishing public wastewater services to the affected territory is consistent with the residential land use policies of the County of San Diego; the governmental entity tasked now and into the foreseeable future with community planning by LAFCO as evident by the land not being in any city sphere.

  - There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use in the affected territory given the alternative would be to maintain a private septic system. This alternative – among other items – would counter the Commission's interest and practice in discouraging private septic systems in developing urban areas.

- Service Capacities and Levels
  Otay WD has available and sufficient collection and treatment capacities to accommodate projected service demands within the affected territory at its potential maximum uses without expanding any public infrastructure. Additional details on relevant service capacities and levels follow.

  - An existing Otay WD wastewater main is located 400-feet from the affected territory within the public right-of-way of Crestland Drive and accessible through a minor extension within Snyder Road and private lateral connection.

  - It is projected the maximum average day wastewater demand generated within the affected territory is 300 gallons – one single-family residence and one future potential accessory dwelling unit. This amount represents 0.0115% of the existing available capacity of Otay WD, and as such can be readily accommodated without additional resources or infrastructure planning.

- Service Funding and Costs
  Otay WD has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its current and planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Otay WD's recent audited statements which shows a positive current ratio of 3.5 and a relatively modest debt ratio of 32%. The District's average total margin from the last three years is (19.5%) but is improving and most recently finished the last fiscal year at (8.5%).

**Conclusion | Merits of Change of Organization Timing**

The timing of the change of organization and annexation therein of the affected territory to Otay WD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area and reflects available capacities and infrastructure.

**Item No. 3 |**
**Merits of Modification and Terms**

Staff has not identified any potential boundary modifications to the proposal that merit consideration by San Diego LAFCO at this time. This includes noting all associated public right-of-ways are appropriately aligned to the Otay WD boundary. Applying standard approval terms appears appropriate.

**Conclusion | Merits of Modifications and Terms**

No modifications are merited at this time. Standard terms are appropriate.

## Other Statutory Considerations

**Exchange of Property Tax Revenues**

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider any jurisdictional change unless an applicable master agreement applies.[4] The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. To this end, San Diego LAFCO staff has confirmed the County Board of Supervisors has adopted a Master Enterprise District Resolution applicable to the proposed change of organization. The application of this master agreement will result in a "no" exchange.

[4] Jurisdictional change is defined under State law to include latent power expansions.

**Environmental Review**

CEQA requires San Diego LAFCO to assess whether environmental 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 with respect to this proposal. This involves the (a) accommodating sphere of influence amendment and the (b) change of organization itself. The Executive Officer has determined both actions – sphere amendment and the change of organization – qualify as projects under CEQA but are exempt from further review based on the following findings.

- The amendment to the sphere of influence for Otay WD to include the affected territory qualifies for exemption under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and any amendments do not change the environment or authorize any new uses or services.

- The change of organization involving annexation of the affected territory to Otay WD qualifies for exemption under State CEQA Guidelines Section 15319(a). This exemption appropriately applies given the affected territory involves an annexation of land already developed to its maximum density under existing land use policies.

**Protest Proceedings**

Protest proceeding for the change of organization may be waived by San Diego LAFCO should the Commission proceed with an approval under Government Code Section 56662. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agency and landowner have provided their respective written consents to the underlying proceeding.[5]

**RECOMMENDATION**

Staff recommends approval of the change of organization proposal with a conforming sphere of influence amendment consistent with Alternative One as outlined in the proceeding section. Proceeding with an approval facilitates a relatively modest expansion of wastewater services consistent with current and planned land uses as well as existing public infrastructure and capacities.

**ALTERNATIVES FOR ACTION**

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

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

Alternative One (recommended):
Adopt the attached draft resolution approving the change of organization proposal to annex the affected territory without modification to the Otay WD with a confirming sphere amendment and subject to standard terms.

Alternative Two:
Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:
Disapprove the proposal with direction to the Executive Officer to return at the next regular meeting with a conforming resolution for adoption.

**PROCEDURES FOR CONSIDERATION**

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

1) Receive verbal report from staff unless waived;
2) Invite comments from the applicant;
3) Open the hearing and invite audience comments; and
4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Robert Barry, AICP
Chief Policy Analyst

Appendices:
A) Analysis of Sphere Change Factors
B) Analysis of Boundary Change Factors

Attachments:
1) Vicinity Map
2) Draft Resolution of Approval
3) Proposal Materials

# 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 is entirely unincorporated and presently developed with a single-family residence consistent with the adopted land use policies of the County of San Diego. The zoning for the affected territory precludes additional density but would allow for more intensity through the addition of one accessory dwelling unit. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law and do not contain open-space lands. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and planned land uses.

## (2) The present and probable need for public facilities and services in the area.

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use of the affected territory consistent with the surrounding and developing unincorporated community of Valle De Oro. The alternative to public wastewater service would be to replace and maintain a private onsite septic system, which – and among other concerns – would heighten risks associated with future failures to adjacent properties. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and future service needs.

## (3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

Otay WD has sufficient capacities to accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Adding the affected territory to the Otay WD's sphere of influence is consistent with these capacities.

## (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 lies immediately outside Otay WD's sphere of influence and jurisdictional boundary. Amendment to the sphere of influence to include the affected territory would serve to establish social and economic ties between the affected territory and Otay WD consist with the District's expanding role as wastewater provider 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 in a census tract qualifying as a disadvantaged unincorporated community under State statute or LAFCO policy.

## APPENDIX B
## ANALYSIS OF MANDATORY PROPOSAL REVIEW FACTORS
## GOVERNMENT CODE SECTION 56668

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

---

The affected territory includes one unincorporated parcel within the Valle De Oro Community Planning Area of the County of San Diego totaling 1.49 acres.[6] The subject parcel is developed with an approximate 3,033 square-foot detached single-family residence with four bedrooms and three bathrooms. The application materials identify the affected territory is currently occupied with four residents. The current assessed value of the subject parcel – including land and improvements – is $1,200,000 with the last transaction recorded in June 2016. The affected territory lies within a developing urban-residential area and in the unincorporated area adjacent to the City of El Cajon on the south. Additional moderate-density residential development in the area is expected to continue during the next 10 years consistent with County's zoning standards.

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

---

The County of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, and law enforcement. Other pertinent service providers include Helix Water District (domestic water) and San Miguel Consolidated Fire Protection District (fire rescue and ambulance). This proposal affects only wastewater and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**
  The affected territory and its existing residential use is currently dependent on an onsite septic system that is believed to have been installed in the 1950s with no major repairs preformed in the last several decades. Otay WD has an existing wastewater main located approximately 400-feet from the affected territory within the adjacent Crestland Drive public right-of-way. Connection to the system is available through a private lateral to a minor main extension within Snyder Road. It is projected the average daily wastewater flow for the affected territory at its maximum potential development use – which includes two units divided between

[6] The subject parcel is located at 10610 Snyder Road. The County Assessor's Office identifies the subject parcel as 497-011-37-00.

one single-family residence and a potential accessory dwelling unit – is 300 gallons. This projected amount represents less than 0.012% of the current 2.59 million gallons of available and remaining daily contracted capacity allocated to Otay WD.[7]

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

Approving the change of organization would establish economic and social ties between the Otay WD and the affected territory based on mutual interest therein in expanding the role of the District as the wastewater provider for the area.

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

The affected territory is developed as a conforming residential use under the County of San Diego General Plan. Approving the proposed change of organization would facilitate the establishment of public wastewater services to the existing single-family residence currently comprising the affected territory, and in doing so support County's community planning policies. Similarly, approval would be consistent with the Commission's adopted policies to synch urban type uses – which includes low-density residential uses – with urban type services, such as public wastewater. None of the lands qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377.

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

The affected territory does not qualify as "prime agricultural land" under LAFCO law. Specifically, the lands are not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards if approved by the Commission. The affected territory does not cross lines of assessment or create islands or corridors of unincorporated territory.

[7] Otay WD wastewater services are limited to the northern half of the jurisdictional boundary and consists of 6.7 square miles of sewer lines that collect and convey wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. Sludge is subsequently conveyed to the San Diego Metropolitan Wastewater (METRO) for additional treatment and disposal. Otay WD has a total of 1.231 MGD contacted METRO capacity rights.

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

The proposal would not add new traffic or otherwise conflict with San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG) for the San Diego Region.

**h) The proposal's consistency with city or county general and specific plans.**

The affected territory is entirely designated for relatively low density single-family residential use under the adopted land use policies of the County of San Diego. This includes designating and zoning the lands with a minimum parcel size of 1.0 acres. These existing and planned uses are consistent with the proposal's purpose to provide public wastewater to the existing single-family residence as allowed under current zoning.

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

The affected territory is not located within the Otay WD sphere of influence and a concurrent amendment to include the subject parcel is proposed for consistency with the change of organization. See Appendix A for additional details.

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

Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

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

Information collected and reviewed as part of this proposal indicates Otay WD appears to have established sufficient financial resources and administrative controls therein relative to providing public wastewater to the affected territory without adversely impacting existing ratepayers. This statement is supported by the following factors.

- Otay WD's last audit covers 2017-2018 and shows the District finished with adequate liquidity levels with an agency-wide current ratio of 3.5 (i.e., $3.50 in current assets for every $1.00 in current liabilities).

- Otay WD finished 2017-2018 with moderate capital as evident by a relatively low debt ratio of 32% (i.e., $68.00out of every $100.00 in net assets are free from financing.)

- Otay WD has three audited fiscal years with an average total margin of (10.45%). The most recent year – 2017-2018 – the total margin improved to (8.5%).

The affected territory's landowner will pay all required fees and service charges commensurate with Otay WD's adopted fee ordinance in establishing wastewater services. At present, the residential wastewater service charge for a single-family residence is $210.96 per year or $17.58 per month. Serving one additional home as a result of approval of the proposed annexation will not adversely impact existing ratepayers.

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

---

The affected territory's existing residential uses are already within and connected to Helix Water District's potable water system. Approval of the change of organization would not affect the timely availability of water supplies to the affected territory. Further, no comments on the proposal were received from Helix Water District.

**m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

---

The proposed change of organization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments, San Diego Association of Governments.

**n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

---

The affected territory is uninhabited as defined LAFCO law (11 registered voters or less). The landowner supports the annexation underlying the change of organization and has provided their written consent to the proceedings.

**o) Any information relating to existing land use designations.**

---

The affected territory is unincorporated and subject to the land use and zoning designations of the County of San Diego. The present General Plan use designation is Semi-Rural Residential (Sr-1) which allows up to 1 du/ac.

**p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**

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There is no documentation or evidence suggesting the proposal will have a measurable effect – positive or negative – with respect to promoting environmental justice.

**(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone under Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code as relevant.**

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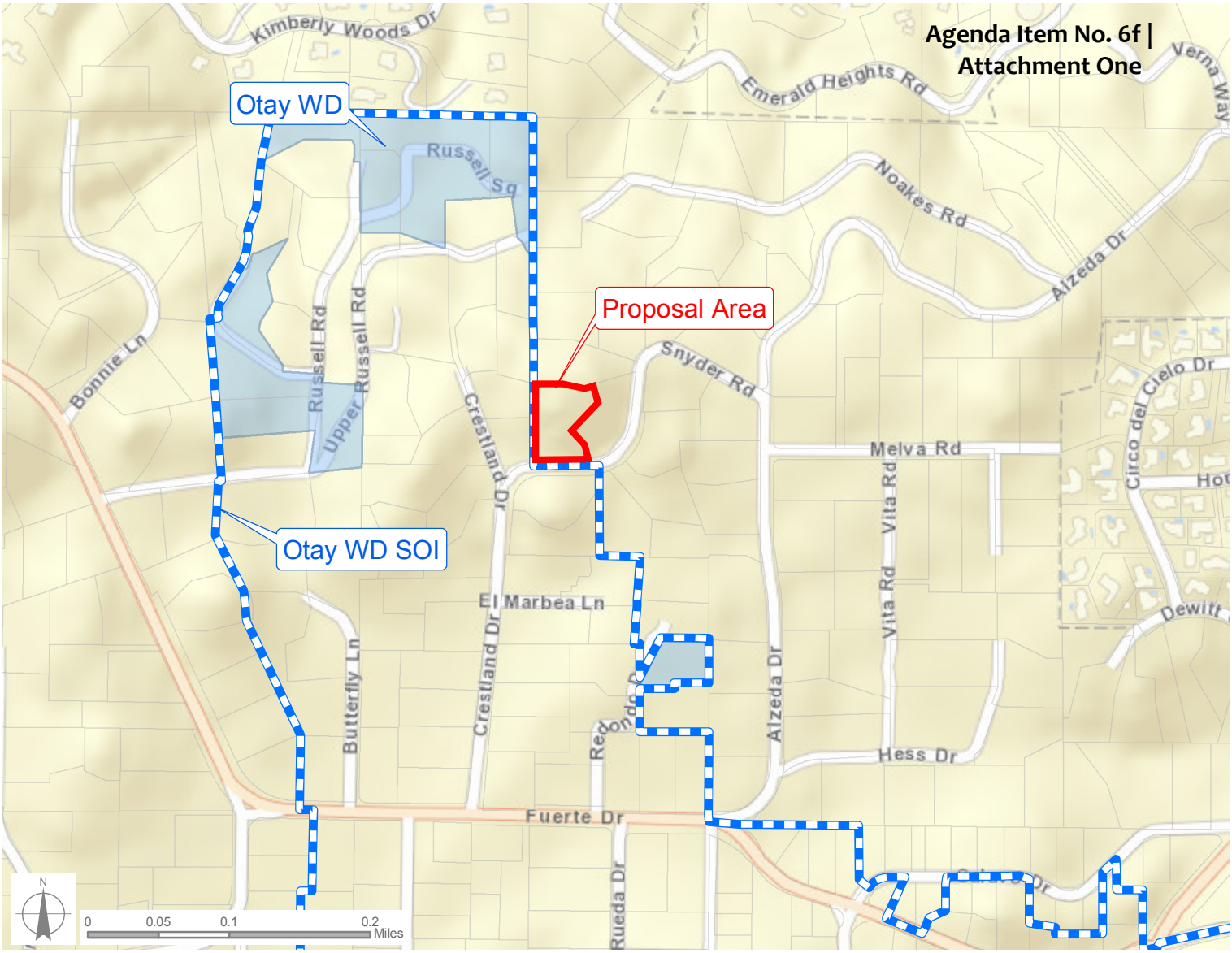
The County of San Diego has adopted a Multi-Jurisdiction Hazard Mitigation Plan for potential fire, flooding and earthquakes. The affected territory lies outside any threat designations.

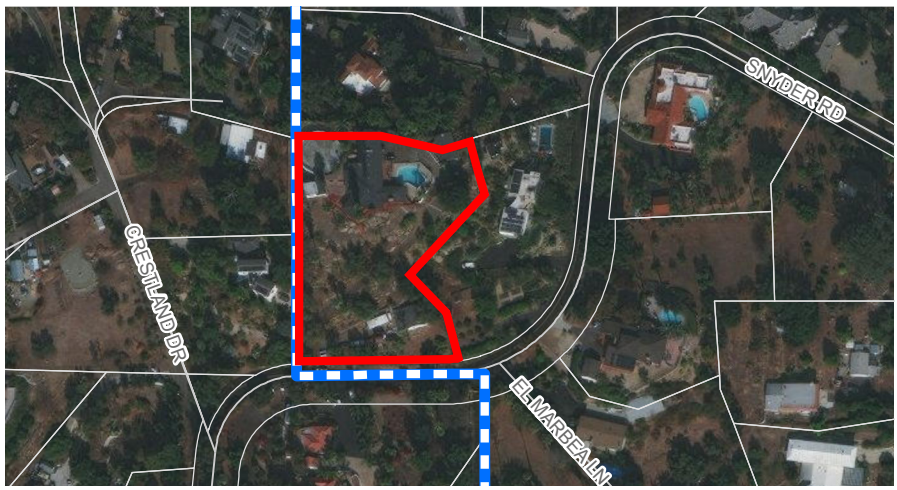
**56668.3(a)(1) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annex to the district.**

---

Approval of the change of organization would be in the best interest of the current and future landowners and/or residents of the affected territory by providing access to reliable public wastewater service going forward. Approval would also benefit adjacent landowners and/or residents by eliminating the operation of a private underground septic systems and the potential therein for failures.

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CO19-02
DA19-02
SA19-02

PROPOSED "SALEM - SNYDER ROAD CHANGE OF ORGANIZATION" (OTAY WATER DISTRICT)

- Proposal Area
- Otay WD
- Otay WD 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\agendamaps2019\19-02 Otay WD NEW Vicinity.mxd



Created by Dieu Ngu -- 3/28/2019

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**RESOLUTION NO. ____**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

**MAKING DETERMINATIONS, ORDERING AND APPROVING
A CHANGE OF ORGANIZATION AND
ASSOCIATED SPHERE OF INFLUENCE AMENDMENT**

**SALEM-SNYDER ROAD CHANGE OF ORGANIZATION -
ANNEXATION TO THE OTAY WATER DISTRICT
LAFCO FILE NOS. SA19-02; DA19-02**

**WHEREAS,** Auday Salem has filed a landowner petition proposal with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000, et seq.); and

**WHEREAS,** the proposal seeks approval for a change of organization involving annexation of approximately 1.43 acres of unincorporated territory to the Otay Water District for the purpose of establishing public wastewater service; and

**WHEREAS,** the affected territory as proposed comprises one parcel identified by the County of San Diego Assessor's Office as 497-011-37, developed with one residence; and

**WHEREAS,** the affected territory as proposed is not presently located within the sphere of influence of Otay Water District; and

**WHEREAS,** the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 5, 2019;

**WHEREAS,** the Commission considered all the factors required under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and adopted local policies.

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

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

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

3. The affected territory is shown as "Exhibit A" and further described as "Exhibit B."

4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) accommodating sphere of influence amendment and the (b) change of organization itself. The Commission's findings follow.

    a) The amendment to the sphere of influence of the Otay Water District to include the affected territory qualifies as a project but is exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.

    b) The change of organization involving annexation of the affected territory to the Otay Water District qualifies as a project but is exempt from additional review under State CEQA Guidelines § 15319(a). Specifically, the annexation can be accommodated through extension of existing public facilities and infrastructure, and the affected territory is already developed at its highest density allowance under the County of San Diego.

5. The Commission conditionally APPROVES the proposal with a conforming sphere of influence amendment consistent with the statements provided as "Exhibit C" and subject to the following terms being satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:

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

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

    c) Written confirmation from the Otay Water District all required annexation and wastewater connection fees and charges have been received.

    d) Submittal to the Commission of the following payments:

        A check made payable to LAFCO in the amount of $100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

A check made payable to LAFCO in the amount of $409.32 to reimburse for the public hearing notice publication.

A check made payable to the State Board of Equalization for processing fees in the amount of $350.00.

5) The Commission assigns the proposal the following short-term designation:

"Salem-Snyder Drive Change of Organization to the Otay Water District"

6) The affected territory as designated by the Commission is uninhabited as defined in Government Code § 56046.

7) The Commission waives conducting authority proceedings under Government Code § 56662.

8) The Otay Water District is a registered-voter district.

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

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

11) The effective date of the approval and corresponding jurisdictional change shall be the date of recordation but not before September 4, 2019.

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

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

**

Passed and adopted by the Commission this 5th day of August 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Luckett, Executive Assistant
San Diego Local Agency Formation Commission

**EXHIBIT C**

**STATEMENT OF DETERMINATIONS**
**SPHERE OF INFLUENCE FACTORS**

**(1) The present and planned land uses, including agricultural and open-space lands.**

The affected territory is entirely unincorporated and presently developed with a single-family residence consistent with the adopted land use policies of the County of San Diego. The zoning for the affected territory precludes additional density but would allow for more intensity through the addition of one accessory dwelling unit. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law and do not contain open-space lands. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and planned land uses.

**(2) The present and probable need for public facilities and services in the area.**

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use of the affected territory consistent with the surrounding and developing unincorporated community of Valle De Oro. The alternative to public wastewater service would be to replace and maintain a private onsite septic system, which – and among other concerns – would heighten risks associated with future failures to adjacent properties. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and future service needs.

**(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

Otay WD has sufficient capacities to accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Adding the affected territory to the Otay WD's sphere of influence is consistent with these capacities.

**(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 lies immediately outside Otay WD's sphere of influence and jurisdictional boundary. Amendment to the sphere of influence to include the affected territory would serve to establish social and economic ties between the affected territory and Otay WD consist with the District's expanding role as wastewater provider 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 in a census tract qualifying as a disadvantaged unincorporated community under State statute or LAFCO policy.

# PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

## Part I: NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a **NOTICE OF INTENT TO CIRCULATE PETITION** with the Executive Officer of the San Diego Local Agency Formation Commission before a petition to initiate a change of organization or reorganization can be circulated (Govt. Code § 56700.4).

1. Notice is hereby given to circulate a petition proposing to: Annex into Otay Water District and detach from County of San Diego Sewer District

2. The reason(s) for the proposal are: Otay district staff has taken no objection to the request for annexation as the property line abuts the Otay District limit and would provide ease of sanitary disposal and remove risk of septic failure.

| | |
|---|---|
| Auday Salem |  |
| Proponent's Name (print) | Signature of proponent or representative |
| 11274 Lalani Drive | La Mesa, CA 91941 |
| Proponent's Address | City, State, Zip |

Pursuant to Section 56700.4 of the California Government Code, this **NOTICE OF INTENT TO CIRCULATE PETITION** was filed with me on _____

Date

_____

Executive Officer (Print and Sign)

## PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than $250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and LAFCO disclosure forms are available at HTTP://WWW.SDLAFCO.ORG or by calling 858/614-7755.

Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes $1,000 or more, or expend $1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures.

Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes $1,000 or more, or expends $1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of San Diego LAFCO.

## Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(a) The specific change(s) of organization proposed is/are: Annex into Otay Water District and detach from County of San Diego Sewer District

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: N/A

(d) The reason(s) for the proposal is/are: Otay district staff has taken no objection to the request for annexation as the property line abuts the Otay District limit and would provide ease of sanitary disposal and remove risk of septic failure.

(e) Signers of this petition have signed as (select one): ☑ landowner; ☐ registered voter.

(f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

1. Auday Salem — 11274 Lalani Drive, La Mesa, CA 91941
   Name of chief proponent (print) — mailing address
2. _____
   Name of chief proponent (print) — mailing address
3. _____
   Name of chief proponent (print) — mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) ☑ is ☐ is not consistent with the sphere-of-influence of any affected city or district.

(i) The territory included in the proposal is (select one) ☐ inhabited (12 or more registered voters) ☑ uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are: N/A
2. The proposed name(s) of the new district(s) is/are: N/A
3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: N/A
2. Provisions are requested for appointment of: ☐ city manager ☐ city clerk ☐ city treasurer

(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: N/A

## Part IVa: REGISTERED VOTER PETITION

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

**Each of the undersigned states:**

- I personally signed this petition.
- I am a registered voter within the County of San Diego.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.

| Name of Signer | Residence Address | Date Signed | Official Use |
|---|---|---|---|
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |

## Part IVb: LANDOWNER PETITION

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

**Each of the undersigned states:**

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

| Name of Signer | Assessor's Parcel Number(s) | Date Signed | Official Use |
|---|---|---|---|
| Sign _____<br>Print Auday Salem | 497-011-3700 | 01/08/2019 | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |

# 6g

**AGENDA REPORT**
Public Hearing

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst

**SUBJECT:** **Proposed "Windmill Construction, Inc. Reorganization" | Annexation to the City of La Mesa with Concurrent Detachments from the San Miguel Consolidated Fire Protection District and County Service Area 135 - Regional Communications (RO16-13 et al.)**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a reorganization proposal filed by an interested landowner to annex approximately 0.13 acres of unincorporated territory to the City of La Mesa. Concurrent detachments from the San Miguel Consolidated Fire Protection District (FPD) and County Service Area (CSA) No. 135 – Regional Communications are also proposed. The proposal purpose is to facilitate the development of one single-family residence on the vacant parcel comprising the affected territory with supporting municipal services. Staff recommends approval with a modification to add approximately 0.07 acres of adjacent public right-of-way along with conforming sphere of influence amendments. Standard terms are also recommended.

## BACKGROUND

### Applicant Request

San Diego LAFCO has received an application from landowner Windmill Construction requesting approval to reorganize approximately 0.13 acres of unincorporated territory for the principal purpose of annexing into the City of La Mesa. Concurrent detachments are

Administration
Keene Simonds, Executive Officer
County Operations Center
9335 Hazard Way, Suite 200
San Diego, California 92123
T 858.614.7755 F 858.614.7766
www.sdlafco.org

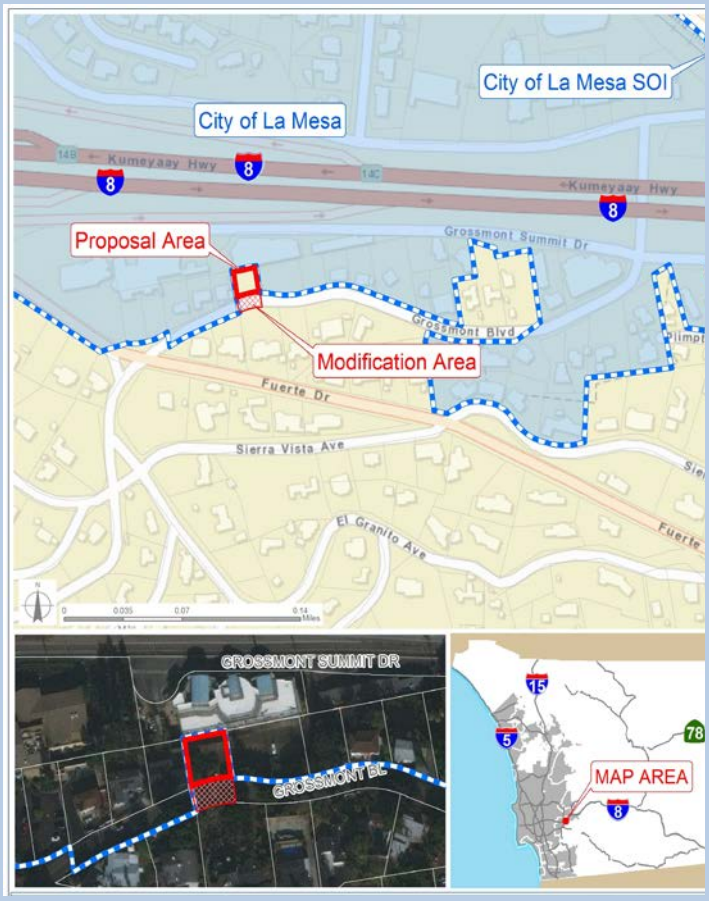
Jim Desmond, County of San Diego
Dianne Jacob, Vice Chair, County of San Diego
Greg Cox, Alternate, County of San Diego
Mary Casillas Salas, City of Chula Vista
Bill Wells, City of El Cajon
Serge Dedina, Alternate, City of Imperial Beach
Mark Kersey, City of San Diego
Chris Cate, Alternate, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Barry Willis, Alpine Fire Protection
Erin Lump, Alternate, Rincon del Diablo MWD
Andy Vanderlaan, General Public
Harry Mathis, Alternate, General Public

also proposed to remove the affected territory from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD. The affected territory as submitted comprises one undeveloped parcel located on Grossmont Boulevard approximately 340 feet north of its intersection with Fuerte Drive. The County of San Diego Assessor's Office identifies the subject parcel as 491-260-19.

### Affected Territory

- One unincorporated parcel adjacent to the City of La Mesa (0.13 acres in size)
- Undeveloped with frontage access to Grossmont Boulevard
- Applicant is separately processing an application to develop a single-family residence with La Mesa
- Applicant is requesting annexation to La Mesa along with concurrent detachments from San Miguel FPD and CSA No. 135 – Communications
- Reorganization also necessitates conforming amendments to all three subject agencies' spheres
- The affected territory is already in the Helix Water District
- The affected territory is not within a wastewater provider's boundary

See Attachment One for Full Size Map




## Subject Agencies

The reorganization proposal filed with San Diego LAFCO involves three subject agencies: City of La Mesa; CSA No. 135 – Regional Communications; and San Miguel Consolidated FPD.[1] Summary descriptions of all three subject agencies follow.

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.

- The City of La Mesa was incorporated in 1912 and presently includes an estimated population of 61,261 over an approximate 9.0 square mile jurisdictional boundary in eastern San Diego County.[2] La Mesa is a full-service municipality and provides a range of public services with the notable exception of water.[3] Key infrastructure germane to the request before LAFCO includes 155 miles of wastewater lines that collect and convey sewage for treatment and discharge by City of San Diego's Point Loma Wastewater Treatment Plant through the METRO Wastewater Authority; a joint-powers co-membered by La Mesa and 12 other jurisdictions. LAFCO most recently updated La Mesa's sphere in 2013 and it is currently coterminous with the jurisdictional boundary. La Mesa's net position is $169.2 million as of July 30, 2018.

- CSA No. 135 - Regional Communications is a dependent special district governed by the County Board of Supervisors with an estimated resident population of 1,065,313.[4] CSA No. 135 was formed in 1994 for the initial and limited purpose of providing regional communications throughout its 3,740 square mile jurisdictional boundary that includes all unincorporated lands and 10 of the 18 local cities.[5] (It also provides fire protection and emergency medical services in a LAFCO-activated latent power area within the jurisdictional boundary. The affected territory is not in the activated latent power area.) CSA No. 135 – Regional Communications' service is anchored by funding and operating an 800 MHz radio system for public safety personnel. LAFCO most recently updated CSA No. 135 – Regional Communication's sphere in 2007 and it is coterminous with the jurisdictional boundary. The net position of the County is $2.9 billion as of July 30, 2018.

- San Miguel Consolidated FPD is an independent special district governed by a seven-member Board of Directors with an estimated resident population of 126,111.[6] San Miguel Consolidated FPD was formed in 1988 through a merger of the Spring Valley and Grossmont/Mt. Helix FPDs. It was substantively expanded in 2008 and 2018 as the successor agency to East County FPD and CSA No. 115, respectively.[7] San Miguel Consolidated FPD provides fire protection and emergency medical to an approximate 46.9 square mile jurisdictional boundary covering the unincorporated communities of Spring Valley, Grossmont, and Bostonia. The sphere was last reviewed and affirmed by LAFCO in 2017 and it includes 1,164 non-jurisdictional acres equal to 3.9% of the jurisdictional boundary. San Miguel Consolidated FPD's net position as of the last audited statements in 2017-2018 totaled $22.6 million.

[2] Population estimate is provided by SANDAG (2018).
[3] Water service in the City of La Mesa is provided by the Helix Water District (WD).
[4] Population estimate is provided by SANDAG (2017).
[5] The 10 cities in San Diego County within CSA No. 135 – Regional Communications are Carlsbad, Del Mar, Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Solana Beach, Santee, and Vista.
[6] Population estimate provided by SANDAG (2017)
[7] San Miguel Consolidated FPD serves as one of two successor agencies to CSA No. 115 based on a proportional annexation of the affected territory (Pepper Drive area) along with Lakeside FPD.

## Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.[8]

- CSA No. 135 – Regional Communications *
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- Resource Conservation District of Greater San Diego
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority
- San Miguel Consolidated FPD *

* Subject to the reorganization

**DISCUSSION**

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the reorganization proposal to annex the affected territory to the City of La Mesa along with concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD. The Commission may also consider applying conditions of approval so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to proposal purpose, associated development potential, and Commission focus follows.

## Proposal Purpose

The purpose of the proposal is to facilitate the development of a single-family residence on the lone parcel comprising the affected territory. The development of the affected territory, markedly, necessitates annexation to the City of La Mesa to establish public wastewater service given the subject parcel is undersized to accommodate an onsite septic system. Towards this end, La Mesa has conditioned the extension of wastewater service on the annexation of the affected territory.

## Development Potential

The affected territory is planned for low density single-family residential under both the County of San Diego and City of La Mesa General Plans. This compatibility extends to both the County and La Mesa in their zoning/prezoning assignments for the affected territory with matching minimum lot sizes of 0.50 acres with additional details provided in Appendix B. La Mesa's prezoning assignment precludes additional density within the affected

[8] 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.

territory given the subject parcel is 0.13 acres in size. Additional intensity, however, is permissible through an accessory unit.

## Commission Focus

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

## ANALYSIS

The analysis of the reorganization proposal is organized into two subsections below. The first subsection considers the three central and sequential policy issues introduced in the preceding section. This pertains to evaluating the merits of the conforming sphere of influence amendments for all three subject agencies; the timing of the reorganization itself and more specifically the annexation to the City of La Mesa and concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD; and whether approval modifications and/or terms are appropriate. The second subsection considers other germane issues under LAFCO law or applicable State statutes and marked by making findings under the California Environmental Quality Act (CEQA).

## Central Policy Items

### Item No. 1 | Sphere of Influence Amendments

The proposed reorganization necessitates San Diego LAFCO approve conforming sphere of influence amendments for all three subject agencies to achieve consistency with the requested boundary changes under statute.[9] The scope of the conforming amendments involve expanding the City of La Mesa's sphere to include the affected territory while reducing CSA No. 135 – Regional Communication and San Miguel Consolidated FPD's spheres to exclude the affected territory. Consideration of the amendments are premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community benefits and needs as determined by the membership. Staff believes it would be appropriate for the Commission to proceed accordingly and approve the conforming sphere amendments for the cumulative and principal effect of recognizing La Mesa as the appropriate land use authority for the affected territory going forward. Two related policy factors underlie the merits of the sphere amendments. First, the sphere amendments would recognize the social and economic communities of interests previously established between the affected territory and the unincorporated County of San Diego have evolved and lessened over the

[9] Reference to Government Code Section 56375.5.

years in direct contrast to the strengthening ties with La Mesa. Second, the sphere amendments would facilitate the orderly synching of local governance and services by directing the affected territory towards La Mesa as a multi-purpose agency.

**Conclusion | Merits of the Sphere Amendments**

Approval of the conforming sphere of influence amendments involving the affected territory to add to the City of La Mesa and remove from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD are warranted. Justification is marked by the preceding analysis and headlined by recognizing the affected territory's social and economic communities of interests have evolved and are now most closely aligned to La Mesa. Additional analysis supporting the conclusion – including addressing the factors required under statute – is provided in Appendix A.

**Item No. 2 |**
**Reorganization Timing**

The timing of the reorganization – and specifically the annexation of the affected territory to the City of La Mesa and concurrent detachments from CSA No. 135 – Regional Communications and San Miguel Consolidated FPD – appears appropriate and highlighted by the analysis of the factors required for consideration under statute anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts on the service and financial capacities of the *receiving* agency, La Mesa (emphasis added). No single factor is determinative. A summary of key conclusions generated in the review of these items follows with additional analysis provided in Appendix B.

- Service Needs
  The affected territory's planned land uses merits organized services and would be aided by the reorganization and annexation to the City of La Mesa and its ability to provide a range of urban-supporting services. The landowner's intention to develop one single-family residence within the affected territory helps to quantify the timing of the reorganization and annexation to La Mesa is appropriate by synching the boundary changes with a known development action.

- Service Capacities and Levels
  The City of La Mesa would directly assume most municipal service responsibilities for the affected territory upon annexation and highlighted by providing community planning, wastewater, fire protection and emergency medical, and law enforcement. A review of existing capacities indicates La Mesa has sufficient controls and resources to readily accommodate demands in the affected territory at its planned and maximum uses. Additional details follow.

- The planned development of one single-family residence would require the establishment of new wastewater services from La Mesa. Service would be facilitated by connecting via private easement to an existing public wastewater main located approximately 200-feet from the affected territory within the Grossmont Summit Drive public right-of-way. It is projected the potential maximum average day wastewater demand generated within the affected territory at build-out would be 530 gallons based on two equivalent dwelling units. This amount represents approximately 0.0001% of La Mesa's existing available contracted capacity of the treatment facility, and as such can be readily accommodated without additional resources.

- La Mesa would formally assume fire protection and emergency medical service responsibilities upon reorganization approval from San Miguel Consolidated FPD through its joint-powers authority, Heartland Fire and Rescue.[10] Heartland Fire and Rescue jointly operates eight fire stations in the region with minimum staffing of three personnel that includes at least one licensed paramedic accredited to work in San Diego County. The engines are staffed 24/7 with the La Mesa Station No. 13 at 9110 Grossmont Boulevard located approximately 0.6 miles west from the affected territory. No new or additional public resources would be needed for La Mesa to directly assume service responsibility for the affected territory. Additional details are footnoted.[11]

- La Mesa would formally assume law enforcement service responsibilities upon reorganization approval from the County of San Diego Sherriff's Department. La Mesa's Police Station is located at 8085 University Avenue and is approximately 2.3 miles from the affected territory. No new or additional public resources would be needed for La Mesa to directly assume service responsibility for the affected territory.

- The reorganization would not result in any changes in water service provision as the affected territory is presently within Helix WD.

- <u>Service Funding and Costs</u>
  The City of La Mesa has the financial resources to assume and provide municipal services to the affected territory in support of its existing and planned uses. This comment is reflected in the staff analysis of La Mesa's recent audited statements which shows the City's net position at $169.23 million with unassigned general fund balance totaling negative ($23.2 million) as of July 1, 2018.[12]

[10] The three signatories to Heartland Fire and Rescue are the Cities of El Cajon, La Mesa, and Lemon Grove.

[11] Heartland Fire and Rescue reports over 22,000 annual onsite responses ranging from structure fires, traffic collisions, vehicle fires, and medical aids. Heartland Fire & Rescue has cooperative agreements with the following surrounding agencies to help manage extraordinary and/or otherwise high demand conditions: San Miguel Consolidated FPD; City of San Diego; City of Santee; and CALFIRE.

[12] The negative figure is attributed to recent reporting requirements for future pension liabilities and, while insufficient to cover normal operating costs based on recent actuals, the City's positive net position indicates it has sufficient resources to support the proposed reorganization.

**Conclusion | Merits of Reorganization Timing**

The timing of the reorganization and related transfer of land use authority and other specified services to the City of La Mesa is warranted. Justification is marked by the preceding analysis and highlighted by the ability of La Mesa to immediately provide services to the affected territory in support of existing and planned uses without adversely impacting capacities and infrastructure. Additional analysis supporting the conclusion – including the factors required under statute – is provided in Appendix B.

### Item No. 3 | Modifications and Terms

Staff believes one modification to the submitted reorganization proposal is appropriate and it involves San Diego LAFCO expanding the boundary changes to include the adjacent public right-of-way on Grossmont Boulevard. This recommendation adds 0.07 acres and extends the portion of Grossmont Boulevard presently within La Mesa to include the frontage right-of-way for the affected territory. The modification allows for La Mesa to assume maintenance responsibility for the frontage segment and provides the affected territory with direct access to the City's circulation system. The recommended modification does not have a material effect on the applicant. Applying standard approval terms to the reorganization also appears appropriate given no special conditions have been identified.

**Conclusion | Modifications and Terms**

Modifying the proposal to include the adjacent 0.07-acre public right-of-way on Grossmont Boulevard is appropriate and provides a more orderly and uninterrupted incorporated boundary going forward. Standard terms are appropriate.

## Other Statutory Considerations

### Exchange of Property Tax Revenues

California Revenue and Taxation Code (RTC) Section 99(b)(6) requires the adoption of a property tax exchange agreement by the subject local agencies before LAFCOs can consider proposed jurisdictional changes. Subsection (d) also allows a master property tax exchange agreement to govern the exchange of property tax revenues between the county and an annexing city. To this end, San Diego LAFCO has confirmed an existing master property tax agreement between the County of San Diego and City of La Mesa applies to the reorganization and all associated boundary changes. The substantive result means 38% of the combined revenue allocated to the County and detaching special districts as part of the 1% property tax will be transferred to La Mesa. The current year transfer totals $24.93 and equals 9.0% of the annual tax increment for the affected territory.[13]

[13] The County Assessor and Auditor have identified the total assessed valuation for the affected territory as $27,595 with corresponding annual property tax revenue of $275.95. Current property tax revenue allocated to the County is $39.92 and $25.68 to the detaching San Miguel Consolidated FPD for a combined total of $65.60.

## 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 and responsible agency under CEQA with respect to considering the proposed reorganization. This involves the (a) accommodating sphere of influence amendments and (b) the reorganization itself. Staff's analysis and recommendations follow.

- San Diego LAFCO serves as lead agency under CEQA for the accommodating sphere of influence amendments to add the affected territory to the City of La Mesa and remove the affected territory from CSA No. 135 – Regional Communications and San Miguel Consolidated. Staff has determined the activity is a project under CEQA but exempt from further review under the "general rule" provision provided under State CEQA Guidelines Section 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 uses or services.

- The City of La Mesa serves as lead agency under CEQA for the reorganization and proposal therein as part of the City approvals for a General Plan amendment, prezoning, and annexation of the affected territory. La Mesa has determined the reorganization is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15319(b) and its provisions covering annexations of small parcels of the minimum size for facilities exempted by Section 15303. Staff independently determines this is an appropriate finding for San Diego LAFCO in its role as responsible agency given the affected territory is proposed for development of one single-family residence within a residential zone.

## Protest Proceedings

Protest proceeding for the reorganization may be waived by San Diego LAFCO should the Commission proceed with an approval under statute.[14] The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agencies and landowners have provided their respective written consents to the underlying proceedings. Further, the addition of the adjacent public right-of-way does not trigger protest proceedings under statute.[15]

[14] Reference to Government Code Section 5662.
[15] Reference to Government Code Section 56048 and definition of "landowner," which excludes lands owned by public agencies and used – and among other prescribed purposes – as rights-of-ways.

## RECOMMENDATION

Staff recommends approval of the reorganization proposal with a discretionary modification to include the adjacent public right-of-way along with conforming sphere of influence amendments and standard terms. This recommendation is consistent with the action identified in the proceeding section as Alternative One and provides for orderly boundary changes that appropriately consolidate core municipal service provision for the affected territory with the City of La Mesa in step with facilitating a modest development.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Adopt the attached draft resolution approving the reorganization proposal as modified to include the adjacent public right-of-way and confirming sphere of influence amendments along with standard terms.

Alternative Two:
Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

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

## PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda as part of a noticed public hearing. The following procedures, accordingly, are recommended in the consideration of this item:

1) Receive verbal presentation from staff unless waived;
2) Invite comments from the applicant and any other subject agencies;
3) Open the hearing and invite audience comments; and
4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Robert Barry, AICP
Chief Policy Analyst

Appendices:
A) Analysis of Sphere Change Factors
B) Analysis of Boundary Change Factors

Attachments:
1) Vicinity Map
2) Draft Resolution of Approval
3) Proposal Materials

## APPENDIX A

## Government Code Section 56425
## Sphere of Influence Determinations

### (1) The present and planned land uses, including agricultural and open-space lands.

The affected territory is entirely unincorporated and part of the County of San Diego's Valle de Oro Community Planning Area. The affected territory as modified includes one parcel (491-260-19) and an adjacent public right-of-way totaling approximately 0.07 acres. The subject parcel is unimproved with an unassigned situs address on Grossmont Boulevard. The City of La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) with a prezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size) for the affected territory. These land use assignments are consistent with the proposal's purpose to facilitate the development of a single-family residence with urban supporting services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law.

### (2) The present and probable need for public facilities and services in the area.

Planned residential uses within the affected territory as described above merits organized public services. This need is substantiated by the landowner's intent to proceed now and develop one single-family residence within the affected territory as contemplated under the City of La Mesa's General Plan and Zoning Ordinance.

### (3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

The City of La Mesa presently provides a range of municipal services within its jurisdictional boundary and highlighted by community planning, fire protection and emergency medical, police, solid waste, and wastewater services. The level and adequacy of La Mesa's municipal services were last reviewed by LAFCO in 2008 and determined to be adequate for present and planned needs. Information collected and analyzed in reviewing the underlying request affirms La Mesa has sufficient capacities available to extend services to the affected territory without impacting existing constituents.

### (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 as described above has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding La Mesa's sphere to include the affected territory serves to memorialize these existing and relevant 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.**

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The affected territory as described above is not in a census tract qualifying as a disadvantaged unincorporated community under LAFCO policy.

## APPENDIX B

## Government Code Section 56668
## Proposal Review Factors

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

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The affected territory as modified comprises one unincorporated parcel (491-260-19) with an adjacent public right-of-way and collectively total approximately 0.20 acres. The subject parcel totals approximately 0.13 acre and is undeveloped with an unassigned situs address on Grossmont Boulevard. The affected territory is contiguous with the City of La Mesa and located south of I-8, north of Fuerte Drive, east of SR-125, and west of Avocado Avenue. The subject parcel has a current total assessed value of $27,595 and is located within the unincorporated Valle De Oro Community Planning Area (CPA). The Valle De Oro CPA consists of approximately 13,129 acres and is bordered by the Cities of Lemon Grove and La Mesa on the west, and El Cajon on the north. The SANDAG Series 13 Regional Growth Forecast (2013) for La Mesa projects the local residential population to grow from 61,102 to 77,881 (approximately 27%) between 2020-2050. However, significant local growth that would increase the need for public facilities and services is not anticipated over the next five years.

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

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The City of La Mesa would assume the majority of municipal service responsibilities for the affected territory as described should the Commission approve the reorganization. This includes assuming service responsibility for community planning, roads, street lighting, fire protection and emergency medical, and wastewater. Connection to La Mesa's wastewater system, notably, serves as the underlying motivation for the reorganization and is needed to facilitate the planned development of the subject parcel to include a single-family residence given size limitations on utilizing an onsite septic system. Connection to La Mesa's wastewater system is available through an approximate 200-foot lateral via private easement to an existing wastewater main located within the public right-of-way of Grossmont Boulevard. It is projected the potential maximum average day wastewater demand generated within the affected territory at build-out would be 530 gallons based on two equivalent dwelling units. This projected demand represents less than 0.001% of the current 1.69 million gallons of available and remaining daily contracted capacity allocated to La Mesa at the Point Loma Wastewater Treatment Facility, and as such can be readily accommodated without additional resources.

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

Approving the proposed reorganization and concurrent sphere of influence amendments would recognize existing and expanding economic and social ties between the affected territory and City of La Mesa as detailed in Appendix A.

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

Approval of the reorganization proposal provides for orderly boundary changes that appropriately consolidate core municipal service provision for the affected territory with the City of La Mesa in step with facilitating a modest development in an urbanizing area. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with Government Code Section 56377.

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

The affected territory does not qualify as "prime agricultural land" under LAFCO law. Specifically, the lands are not currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the proposed reorganization proposal would have no effect on maintaining the physical and economic integrity of agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards as well as reflect the proposed modification to add the adjacent 0.07 acre public right-of-way on Grossmont Boulevard if approved by the Commission. The affected territory does not cross lines of assessment.

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

The proposal involves facilitating the development of a single-family residence that would not materially affect regional transportation or local circulation. Therefore, the proposal will not conflict with San Diego Forward, the regional transportation plan prepared and adopted by San Diego Association of Governments or SANDAG.

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

The affected territory as described is similarly designated for relatively low-density single-family residential use under the adopted land use policies of the County of San Diego and City of La Mesa and do not allow for additional density. Specifically, La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) along with a prezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size). These land use policies mirror the current County General Plan designation of Semi-Rural Residential (one du/0.50 acre) and zoning of Rural Residential (0.50 acre minimum lot size).

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

The proposed reorganization necessitates conforming sphere of influence amendments for all three subject agencies: City of La Mesa (add); CSA No. 135 – Regional Communications (remove); and San Miguel Consolidated FPD (remove).

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

Staff provided notice of the proposed reorganization to all subject and affected agencies as required under statute. No written comments were received ahead of preparing this agenda report.

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

Information collected and reviewed as part of this proposal indicates La Mesa has established sufficient financial resources and administrative controls therein in extending municipal services to the affected territory without adversely impacting current constituents. This statement is supported by the following factors with additional details concerning the negotiated tax exchange footnoted.[16]

- La Mesa's last audit covers 2017-2018 and shows the City finished with good liquidity levels with an agency-wide current ratio of 14.3 (i.e., $14.30 in current assets for every $1.00 in current liabilities).

- La Mesa finished 2017-2018 with good capital as evident by a moderate debt ratio of 49.5% (i.e., only $49.51 out of every $100.00 in net assets are financed.)

[16] Should San Diego LAFCO approve the reorganization, the County of San Diego and City of La Mesa have adopted a Master Property Tax Agreement (MPTA) that will apply to the affected territory. The associated terms direct the County to transfer a 38% share of the combined property tax revenues for the County and any detaching special districts to La Mesa. The County Assessor and Auditor have identified the total assessed valuation for the affected territory as $27,595 with corresponding annual property tax revenue of $275.95. Current property tax revenue allocated to the County is $39.92 and $25.68 to the detaching San Miguel Consolidated FPD for a combined total of $65.60. Accordingly, and per the MPTA, the current year transfer totals $24.93 and equals 9.0% of the annual tax increment for the affected territory.

- La Mesa has remained profitable in each of the last three audited fiscal years with an average total margin of 4.0%. The most recent year – 2017-2018 – the operating margin was 2.0%.

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

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The affected territory already lies within Helix WD with a water main located within the adjacent public right-of-way on Grossmont Boulevard. Approval of the reorganization proposal would not affect the timely availability of water supplies within the affected territory. Further, no comments on the proposal were received from Helix WD.

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

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The proposed reorganization would not affect any local agencies in accommodating their regional housing needs. All potential units tied to the affected territory would be assigned to La Mesa by the region's council of governments, SANDAG.

**n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

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The affected territory as described is uninhabited as defined under LAFCO statute (11 registered voters or less). The landowner supports the annexation underlying the reorganization and has provided their written consent to the proceedings.

**o) Any information relating to existing land use designations.**

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See above analysis for (h).

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

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As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed reorganization does not include locating new public facilities. Therefore, approval of the proposed reorganization is not anticipated to directly influence the promotion of environmental justice within the affected territory.

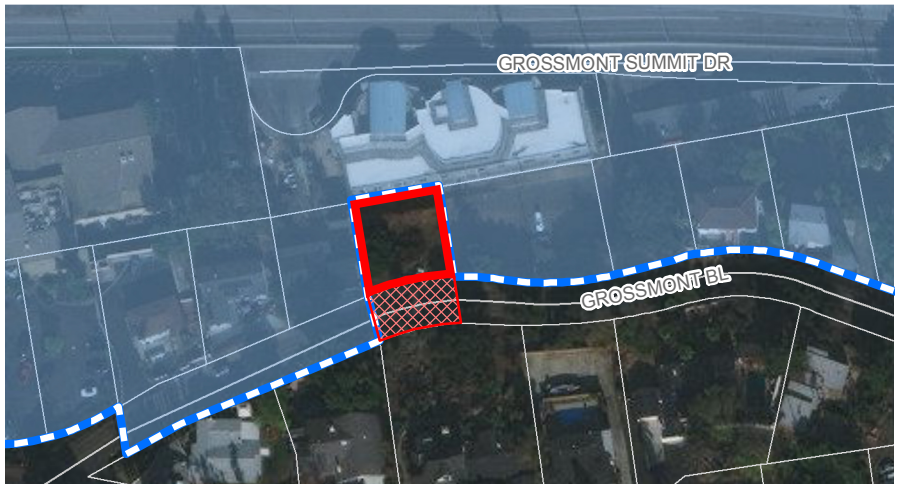
**q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information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

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The affected territory is not identified on State maps with respect to being located within very high fire hazard zones or state responsibility areas. The affected territory is entirely unincorporated and subject to the safety element of the County of San Diego General Plan. Following reorganization with La Mesa, the affected territory would be subject to the City's Public Safety, Facilities, and Services Element. The County of San Diego has adopted a Multi-Jurisdiction Hazard Mitigation Plan for potential fire, flooding and earthquakes, which covers the City of La Mesa as a participating agency.

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SA16-13
RO16-13

PROPOSED "WINDMILL CONSTRUCTION, INC. REORGANIZATION" | ANNEXATION TO CITY OF LA MESA WITH CONCURRENT DETACHMENTS FROM CSA 135 AND SAN MIGUEL CONSOLIDATED FPD

- Proposal Area
- City of La Mesa
- City of La Mesa 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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**RESOLUTION NO. ____**

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION**

**MAKING DETERMINATIONS, ORDERING AND APPROVING
A REORGANIZATION AND
ASSOCIATED SPHERE OF INFLUENCE AMENDMENTS**

**WINDMILL CONSTRUCTION, INC. REORGANIZATION -
ANNEXATION TO THE CITY OF LA MESA WITH
CONCURRENT DETACHMENTS FROM
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT AND
COUNTY SERVICE AREA NO. 135 (REGIONAL COMMUNICATIONS)
LAFCO FILE NO. RO16-13 ET AL.**

**WHEREAS**, Duane K. Dubbs II, has filed a landowner petition proposal with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000, et seq.); and

**WHEREAS,** the proposal seeks approval for a reorganization of the affected territory involving annexation of approximately 0.13 acres of unincorporated territory to the City of La Mesa for the purpose of development of one single-family residence, with concurrent detachments of the affected territory from County Service Area No. 135 (Regional Communications) and San Miguel Consolidated Fire Protection District; and

**WHEREAS,** the affected territory as proposed comprises one unimproved parcel identified by the County of San Diego Assessor's Office as 491-260-19; and

**WHEREAS,** the affected territory as proposed is not presently located within the sphere of influence of the City of La Mesa; and

**WHEREAS,** the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 5, 2019;

**WHEREAS,** the Commission considered all the factors required under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and adopted local policies.

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

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

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

3. The affected territory is shown as "Exhibit A" and further described as "Exhibit B."

4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) accommodating spheres of influence amendments and (b) the reorganization itself. The Commission's findings follow.

    a) The conforming amendments to the spheres of influence of the City of La Mesa, County Service Area No. 135, and the San Miguel Consolidated Fire Protection District for the affected territory qualify as a project but are exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and any amendments therein do not authorize new uses or services, and as such provide certainty there will be no significant effect on the environment.

    b) The Commission as a responsible agency finds consistent with the City of La Mesa as the lead agency the proposed reorganization qualifies as a project but is exempt from additional review under State CEQA Guidelines § 15319(b). This exemption appropriately applies because the proposed reorganization area contains not more then three single-family residences to be constructed or converted as defined by § 15303.

5. The Commission conditionally APPROVES the proposal with modifications as described and conforming sphere of influence amendments consistent with the statements provided as "Exhibit C" and subject to the following terms being satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:

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

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

c) Written confirmation from the City of La Mesa all required annexation fees and charges have been received.

d) Submittal to the Commission of the following payments:

A check made payable to LAFCO in the amount of $100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

A check made payable to LAFCO in the amount of $428.52 to reimburse for the public hearing notice publication.

A check made payable to the State Board of Equalization for processing fees in the amount of $300.00.

5) The Commission's approval includes MODIFICATION to the affected territory to include 0.07 acres of adjacent public right-of-way located on Grossmont Boulevard and further described in the Executive Officer's written report.

6) The Commission assigns the proposal the following short-term designation:

"Windmill Construction, Inc. Reorganization to the City of La Mesa"

7) The affected territory as designated by the Commission is uninhabited as defined in Government Code §56046.

8) The Commission waives conducting authority proceedings under Government Code §56662.

9) The San Miguel Consolidated Fire Protection District is a registered-voter district.

10) The San Miguel Consolidated Fire Protection District utilizes the County of San Diego assessment roll.

11) The affected territory will be liable for any existing bonds, contracts, and/or obligations of the City of La Mesa as provided under Government Code §57328.

12) Upon the effective date of the approval, all future inhabitants of the affected territory will have rights and duties as constituents of the City of La Mesa as provided under Government Code §57328.

13) Upon the effective date of the approval, the affected territory shall be subject to previously authorized taxes, assessment, fees or charges of the City of La Mesa as provided under Government Code §57330.

14) The effective date of the approval and corresponding jurisdictional change shall be the date of recordation but not before September 4, 2019.

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

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

**

Passed and adopted by the Commission this 5th day of August 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Luckett
Executive Assistant

## APPENDIX A

## Government Code Section 56425
## Sphere of Influence Determinations

### (1) The present and planned land uses, including agricultural and open-space lands.

The affected territory is entirely unincorporated and part of the County of San Diego's Valle de Oro Community Planning Area. The affected territory as modified includes one parcel (491-260-19) and an adjacent public right-of-way totaling approximately 0.07 acres. The subject parcel is unimproved with an unassigned situs address on Grossmont Boulevard. The City of La Mesa has adopted a General Plan designation of RR (Rural Residential, 1-2 dwelling units per acre) with a prezoning assignment of Semi-Rural Estate (0.50 acre minimum lot size) for the affected territory. These assignments are consistent with the proposal's purpose to facilitate the development of a single-family residence with urban supporting services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law.

### (2) The present and probable need for public facilities and services in the area.

Planned residential uses within the affected territory as described above merits organized public services. This need is substantiated by the landowner's intent to proceed now and develop one single-family residence within the affected territory as contemplated under the City of La Mesa's General Plan and Zoning Ordinance.

### (3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

The City of La Mesa presently provides a range of municipal services within its jurisdictional boundary and highlighted by community planning, fire protection and emergency medical, police, solid waste, and wastewater services. The level and adequacy of La Mesa's municipal services were last reviewed by LAFCO in 2008 and determined to be adequate for present and planned needs. Information collected and analyzed in reviewing the underlying request affirms La Mesa has sufficient capacities available to extend services to the affected territory without impacting existing constituents.

### (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 as described above has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding La Mesa's sphere to include the affected territory serves to memorialize these relevant 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 as described above is not in a census tract qualifying as a disadvantaged unincorporated community under LAFCO policy.

# PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

## Part I: NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a NOTICE OF INTENT TO CIRCULATE PETITION with the Executive Officer of the San Diego Local Agency Formation Commission before a petition to initiate a change of organization or reorganization can be circulated (Govt. Code § 56700.4).

1. Notice is hereby given to circulate a petition proposing to: Annex this property (APN 491-260-19) into the City of La Mesa jurisdictional boundary.

2. The reason(s) for the proposal are: Lot size is 5,482 SF which is too small for a conventional septic tank system. Sewer service has recently been constructed adjacent to the northerly property line so it would be available when the lot is annexed into the City of La Mesa.

The City of La Mesa requested this property to be fully annexed into the City because the site is surrounded on three sides by City jurisdiction.

Duane K. Dubbs II — Proponent's Name (print)

Signature of proponent or representative — 2-26-19

P.O. Box 1587 — Proponent's Address

Lakeside, CA. 92040 — City, State, Zip

Pursuant to Section 56700.4 of the California Government Code, this NOTICE OF INTENT TO CIRCULATE PETITION was filed with me on _____

Date

_____

Executive Officer (Print and Sign)

## PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than $250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and LAFCO disclosure forms are available at HTTP://WWW.SDLAFCO.ORG or by calling 858/614-7755.

Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes $1,000 or more, or expend $1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures.

Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes $1,000 or more, or expends $1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of San Diego LAFCO.

## Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(a) The specific change(s) of organization proposed is/are: Annex the property into the City of La Mesa jurisdictional boundary.

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: City of La Mesa will file a General Plan Amendment to include the property within the City's planning area and a pre-zone must be approved.

(d) The reason(s) for the proposal is/are: Lot size is 5,482 SF which is too small for a conventional septic tank system. Sewer service has been recently constructed adjacent to the northerly property line. Because the property is surrounded on three sides by City of La Mesa jurisdiction, full annexation has been requested.

(e) Signers of this petition have signed as (select one): ☑ landowner; ☐ registered voter.

(f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

1. Duane K. Dubbs II — P.O. Box 1587 Lakeside, CA. 92040
   Name of chief proponent (print) — mailing address
2. _____
   Name of chief proponent (print) — mailing address
3. _____
   Name of chief proponent (print) — mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) ☑ is ☐ is not consistent with the sphere-of-influence of any affected city or district.

(i) The territory included in the proposal is (select one) ☐ inhabited (12 or more registered voters) ☑ uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are: N/A
2. The proposed name(s) of the new district(s) is/are: N/A
3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: N/A
2. Provisions are requested for appointment of: ☐ city manager ☐ city clerk ☐ city treasurer

(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: N/A

## Part IVa: REGISTERED VOTER PETITION

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

**Each of the undersigned states:**

- I personally signed this petition.
- I am a registered voter within the County of San Diego.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.

| Name of Signer | Residence Address | Date Signed | Official Use |
|---|---|---|---|
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |

## Part IVb: LANDOWNER PETITION

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

**Each of the undersigned states:**

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

| Name of Signer | Assessor's Parcel Number(s) | Date Signed | Official Use |
|---|---|---|---|
| Sign <br>Print Duane K. Dubbs II | 491-260-19 | 2-26-19 | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |
| Sign _____<br>Print _____ | | | |

# 7a

**AGENDA REPORT**
Business | Discussion

August 5, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer
Alex Vidal, Analyst I

**SUBJECT:** **Draft Municipal Service Review on the Escondido Region | Part One**

## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a draft prepared as part of the scheduled municipal service review on the Escondido region. The draft represents the first of a two-part municipal service review and is specific to addressing the availability, need, and performance of public services provided in the region by Deer Springs Fire Protection District (FPD) and Rincon del Diablo Municipal Water District (MWD). This includes preparing determinative statements addressing all of the factors required under statute as part of the municipal service review mandate and headlined by population estimates, infrastructure needs, and financial standing. The draft is being presented to the Commission for discussion and feedback ahead of staff initiating a public review in anticipation of returning in October with final actions.

## 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

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Jim Desmond, County of San Diego
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Mark Kersey, City of San Diego
Jo MacKenzie, Chair, Vista Irrigation
Andy Vanderlaan, General Public
Dianne Jacob, Vice Chair, County of San Diego
Bill Wells, City of El Cajon
Chris Cate, Alternate, City of San Diego
Barry Willis, Alpine Fire Protection
Harry Mathis, Alternate, General Public
Greg Cox, Alternate, County of San Diego
Serge Dedina, Alternate, City of Imperial Beach
Erin Lump, Alternate, Rincon del Diablo MWD

Commission and the general public therein with regard to the availability and sufficiency of governmental services relative to 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 Escondido Region: Part One and Part Two

San Diego LAFCO's current workplan was adopted at a noticed hearing held on April 3, 2019 and outlines specific project goals for the fiscal year. This includes preparing a municipal service review on the Escondido region and the three local agencies – Deer Springs FPD, Rincon del Diablo MWD, and the City of Escondido – under Commission oversight that provide one or more public services in the approximate 100 square mile area. The municipal service review represents the first detailed report prepared by the Commission on the region since the early 2000s and has been divided into two distinct phases. "Part One" is specific to providing an independent assessment of the public services provided by Deer Springs FPD and Rincon del Diablo MWD. "Part Two" is specific to assessing the City of Escondido and is being separately prepared by the City as part of an earlier arrangement and will include additional focus on an anticipated reorganization proposal involving the Safari Highlands development. Both phases will come under one cover once completed.

## DISCUSSION

This item is for San Diego LAFCO to review a draft on Part One of the scheduled municipal service review on the Escondido region and specific to Deer Springs FPD and Rincon del Diablo MWD. The draft is being presented for discussion and before staff initiates a formal 45-day public comment period. Feedback provided by the Commission – including requests for additional analysis – will be incorporated into a final document presented for future action and ahead of proceeding with sphere of influence updates on both agencies.

An Executive Summary (Chapter Two) anchors the municipal service review and outlines the key conclusions and findings generated to date. This includes 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 and or by one or more of the affected agencies are also enumerated in the Executive Summary.

## ANALYSIS

See Executive Summary provided as part of Attachment One.

## RECOMMENDATION

It is recommended San Diego LAFCO provide feedback on Part One of the draft municipal service review on the Escondido region. This includes providing direction on desired revisions and/or additions ahead of staff circulating the draft for public review and returning with a final version for action as early as October 2019.

## 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, accordingly, 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 (voluntary); and
4) Discuss item and provide feedback as requested.

Respectfully,





Keene Simonds
Executive Officer

Alex Vidal
Analyst I

Attachment:

1) Draft Municipal Service Review on the Escondido Region: Part One

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# SAN DIEGO COUNTY
# LOCAL AGENCY FORMATION COMMISSION



## ESCONDIDO REGION

Municipal Service Review | Government Code 56430

**Part One**
Deer Springs Fire Protection District
Rincon del Diablo Municipal Water District

**Draft Report** | August 2019

**Project Manager**
Alex Vidal, Analyst I

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## ACKNOWLEDGEMENT

San Diego County LAFCO gratefully acknowledges the time and effort of officials and staff with the subject agencies in assisting in the preparation of this report.

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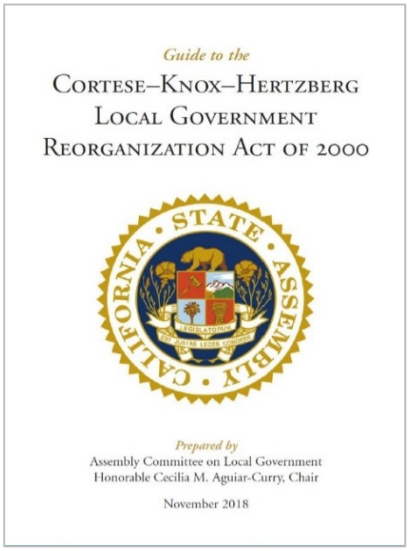
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# CHAPTER ONE | INTRODUCTION

## 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 commonly 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 services 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 July 1, 2019

| Commissioner | Appointing Authority | Affiliation |
|---|---|---|
| Chair Jo MacKenze | Independent Special Districts | Vista Irrigation District |
| Vice Chair Dianne Jacob | Board of Supervisors | County of San Diego |
| Jim Desmond | Board of Supervisors | County of San Diego |
| Mark Kersey | City of San Diego Council | City of San Diego |
| Mary Casillas Salas | Cities Selection Committee | City of Chula Vista |
| Andy Vanderlaan | Commission | Representative of the Public |
| Bill Wells | Cities Selection Committee | City of El Cajon |
| Barry Willis | Independent Special Districts | Alpine Fire Protection District |
| Chris Cate, Alternate | City of San Diego Council | City of San Diego |
| Greg Cox, Alternate | Board of Supervisors | County of San Diego |
| Serge Dedina, Alternate | Cities Selection Committee | City of Imperial Beach |
| Erin Lump, Alternate | Independent Special Districts | Rincon del Diablo Municipal Water |
| Harry Mathis, Alternate | Commission | Representative of the Public |

Immediate Past Members in 2019:
Catherine Blakespear, Cities Selection Committee, City of Encinitas
Ed Sprague, Independent Special Districts, Olivenhain Municipal Water District
Judy Hanson, Independent Special Districts, Leucadia Wastewater District (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 email 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.

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# CHAPTER TWO | EXECUTIVE SUMMARY

## 1.0 OVERVIEW

This report is part of San Diego LAFCO's scheduled municipal service review of the Escondido region in north-central San Diego County. The report has been prepared by staff and consistent with the scope of work approved by the Executive Officer and includes dividing the municipal service review into two distinct phases. This report covers "Part One" of the municipal service review and is specific to providing an independent assessment of the public services provided by two of three local agencies in the region subject to Commission oversight – Deer Springs Fire Protection District (FPD) and Rincon del Diablo Municipal Water District (MWD) – and relative to the LAFCOs' regional growth management duties and responsibilities. This includes evaluating the current and future relationship between the availability, demand, and adequacy of these agencies' municipal services. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere 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 availability, adequacy, and performance of two of the three agencies under Commission oversight in the Escondido region: Deer Springs FPD and Rincon del Diablo MWD. The Commission will draw on this information in guiding a subsequent sphere update, informing future boundary changes, and if merited serve as the source document to initiate one or more reorganizations.

The third local agency included in the regional municipal service review is the City of Escondido and will be covered in "Part Two." This phase of the municipal service review is being separately prepared by Escondido as part of an earlier arrangement with LAFCO staff and will include additional focus on an anticipated reorganization proposal involving the Safari Highlands development. Both phases will come under one cover once completed.

### 1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program of the Escondido region and specifically Deer Springs FPD and Rincon del Diablo MWD. 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 2014 to 2018 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 2023 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle legislatively 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 the San Diego County SD 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.

## 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 Escondido region and specific to Deer Springs FPD and Rincon del Diablo MWD. A prominent example involves focusing on annual system-wide demands (water usage, onsite responses, etc.) 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 generated in each 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 each affected agency's financial solvency based on a review of available audited information during the report period, fiscal years 2014 to 2018. 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 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 the two agencies covered in this report that provide municipal services in the Escondido region, Deer Springs FPD and Rincon del Diablo MWD. The profiles transition between narrative descriptions of the background and development of these agencies' service areas to quantifying specific data-driven categories. This includes quantifying demographic trends, service capacities, and financial standing.

## 3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review and its two distinct phases – Parts One and Two – is close to 100 square miles in size.[7] The geographic area has been purposefully designated by the Executive Officer to include all three local agencies in the greater Escondido region under San Diego LAFCO oversight that separately provide one or more urban supporting services, including – but not limited to – community planning, fire

[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.

[7] The geographic area generally follows the City of Escondido's General Plan Land Use Map with notable deviations to include the boundaries of Deer Springs FPD and Rincon del Diablo MWD.

protection and emergency medical, recreation and parks, roads and street lighting, potable water, recycled water, police, and wastewater. These three affected agencies and their service areas within the designated geographic area are shown in the vicinity map below.




## 4.0 REPORT SUMMARY

### 4.1 General Conclusions

The Escondido region encompasses a geographically distinct subarea of "North County" removed from the coast and bisected by two of San Diego County's most traveled commute corridors in Interstate 15 and State Route 78.[8] The region's distinctions are also reflected and tenured in local government with two of the earliest city and special district establishments in San Diego County with the City of Escondido incorporating in 1888 and the Escondido Irrigation District forming in 1891; latter being subsequently dissolved with its water system eventually divided between the City and Rincon del Diablo MWD at the time of its formation in 1954.[9] Deer Springs FPD's formation in 1981 completes the current and relatively confined concentration of local government in the region among these three agencies.

[8] Reference to SANDAG's State of the Commute, 2015-2016.
[9] An interim entity – Escondido Mutual Water Company – bridged the dissolution of the Escondido Irrigation District in the early 1900s and later transfer of the original water system to the City of Escondido and Rincon del Diablo MWD.

The current estimated population within the region is approximately 182,000 with four-fifths residing within Escondido with considerable overlap with Rincon del Diablo MWD. Historically, Rincon del Diablo MWD and later Deer Springs FPD have served as unincorporated placeholders ahead of development requiring an expanded range of municipal services and annexing into Escondido. This historical trend is reflected in the rate of population growth in Escondido and the average annual change of 5.5% over a 20-year period between 1980 and 2000. More recently, however, there has been an orientation shift from this historical development pattern in the region and marked by the average annual change in population growth in Escondido decreasing to 0.7% since 2000. This change is attributed to both interest within Escondido to slow the rate of new growth and marked by General Plan Policy E and its provisions to now require voter approval to intensify land uses as well as external pushback to City annexations from neighboring unincorporated residents. This recent shift – notably and as one of the central themes detailed below – underlies a new and emerging role of Rincon del Diablo MWD and Deer Springs FPD serving as community separators in demarking the urban-rural interface in the region.

Part One of this municipal service review on the Escondido region produces seven central conclusions relative to San Diego LAFCO's growth management tasks and interests as prescribed under statute and specific to Deer Springs FPD and Rincon del Diablo MWD. These conclusions collectively address the availability, need, and adequacy of these two agencies' municipal services 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 2014 and 2018 and detailed in the agency profiles.

- **No. 1 | Good Financial Standing**
  Deer Springs FPD and Rincon del Diablo MWD both finished the five-year report period in good financial standing based on standards measurements showing the agencies have relatively high or otherwise strong liquidity, capital, and margin levels. Most notably, both agencies finished each fiscal year with positive operating and total margins near or above double-digit percentages. These positive margins underlie both agencies' ability to improve their net-positions over the report period as well as double their respective operating reserve ratios.

- **No. 2 | Adequate and Available Capacities**
  Deer Springs FPD and Rincon del Diablo MWD have established adequate and excess capacities in meeting current demands for their core municipal services involving fire protection and emergency medical and potable water, respectively. This includes –

and most pertinent to future growth – Rincon del Diablo MWD's current average annual potable water demand over the five-year report period equaling no more than 35% of accessible supplies in either of the District's two distinct service areas.

- **No. 3 | Changing Roles**
  Rincon del Diablo MWD and Deer Springs FPD have historically served unincorporated areas adjacent to Escondido generally as placeholders ahead of new development requiring a range of municipal services and annexing into the City. These historical roles have begun to shift in recent years due to resident preferences as well as policy changes and underlie changing roles for the agencies as community separators in demarking the urban-rural interface in the region.

- **No. 4 | Need for Additional Service Alignment**
  Rincon del Diablo MWD and Escondido share four distinct municipal service responsibilities in common: fire protection and emergency medical; potable water; recycled water; and wastewater. The agencies have synchronized the planning and delivery of three – fire protection and emergency medical, potable water, and recycled water – and in doing so delineated immediate and near-term service roles within the overlapping portions of their jurisdictional boundaries. Additional alignment is needed for wastewater to help inform capital planning for both agencies in the region and specifically within Elfin Forest, Eden Hills, and Harmony Grove.

- **No. 5 | Exploring Long-Term Governance Roles**
  It would be beneficial for San Diego LAFCO to prepare an addendum to separately assess governance options involving Rincon del Diablo MWD and Escondido given overlap in boundaries and services. The addendum would respond to existing questions in the region regarding the agencies' ultimate service roles and primarily premised as an informational document and potentially transition with sufficient merit and consensus to facilitate a functional or political consolidation.

- **No. 6 | Aligning Rincon del Diablo MWD's Jurisdictional Boundary to Services**
  Close to one-half of Rincon del Diablo MWD's jurisdictional boundary lies outside its improvement districts and do not receive municipal services from the District. Irrespective of other conclusions, San Diego LAFCO should work with Rincon del Diablo MWD to better align the jurisdictional boundary with existing and planned service provision and remedy otherwise misplaced boundary markers.

- **No. 7 | Prepare Comprehensive Sphere of Influence Updates**
  A preliminary review indicates comprehensive updates to Rincon del Diablo MWD and Deer Springs FPD's spheres of influence are merited to consider one or more changes. These updates should be performed in conjunction with an anticipated update of Escondido and be formally added to the current workplan.

## 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 for Commission action are dependent on a subsequent directive from the membership and through the adopted work plan.

1. San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to Deer Springs FPD and Rincon del Diablo MWD and incorporate the data into the next scheduled municipal service review.

2. Rincon del Diablo MWD should continue its efforts to secure recycled water supplies to meet existing and future demands within the District. This includes – ideally – further partnering with the City of Escondido in the agencies' shared investment in recycled water as an effective means to reduce potable production needs.

3. Rincon del Diablo MWD should consider adopting its own response standards for fire protection and emergency medical services to clarify the District's performance expectations and inform additional service planning in collaboration with its contract provider, City of Escondido.

4. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with Part Two of the municipal service review on the City of Escondido and its contract role to provide fire protection and emergency medical to Rincon del Diablo MWD.

5. Deer Springs FPD should explore opportunities to extend and/or expand its contract relationship with the County of San Diego consistent with San Diego LAFCO's policy objective to facilitate the orderly expansion of the Fire Authority and its role to organize and improve fire service in unincorporated San Diego County.

6. San Diego LAFCO should proceed to determine wastewater service responsibilities within the Elfin Forest, Eden Hills, and Harmony Grove areas and incorporate the analysis into subsequent sphere updates.

7. San Diego LAFCO should add to a future workplan an addendum to separately assess long-term governance options involving Rincon del Diablo MWD and the City of Escondido given the existing overlap in boundaries and service activities.

8. San Diego LAFCO and Rincon del Diablo MWD – and irrespective of other recommendations – should pursue realignment of the District's jurisdictional boundary to more succinctly reflect existing and/or planned services.

9. A preliminary review indicates comprehensive updates to Rincon del Diablo MWD and Deer Springs FPD's spheres of influence are merited at this time to consider one or more changes involving both agencies. These updates should be timed in step with the Escondido update and formally added to the workplan for 2019-2020.

## 5.0 WRITTEN DETERMINATIONS

These determinations detail the pertinent issues relating to the planning, delivery, and funding of public services in the Escondido region and specific to Deer Springs FPD and Rincon del Diablo MWD. Determinations based on data collected and analyzed between 2014 and 2018.

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 is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services provided by Deer Springs FPD and Rincon del Diablo MWD in the Escondido region 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 with the final report.

### 5.1 Growth and Population Projections

1. San Diego LAFCO independently estimates Deer Springs FPD and Rincon del Diablo MWD's total resident population within their portion of the Escondido region is 144,438 as of the end of the report period. This amount represents close to four-fifths of all estimated residents in the Escondido region and divided as follows.

(a) 12,362 residents in Deer Springs FPD

(b) 132,076 residents in Rincon del Diablo MWD

2. San Diego LAFCO estimates four-fifths – or 86% – of the resident population within Rincon del Diablo MWD overlaps with the City of Escondido. It is separately projected that 83% of all registered voters within Rincon del Diablo MWD overlap and are registered voters within the City of Escondido.

3. Population trends within the Escondido region are distinct with Rincon del Diablo MWD experiencing an annual growth rate of 0.95% compared to 0.62% within Deer Springs FPD during the five-year report period; a difference of more than one-half.

4. Recent population trends in the Escondido region reflect the distinctive service areas within Deer Springs FPD and Rincon del Diablo MWD and generally distinguished between rural (former) and suburban (latter) uses, respectively.

5. The increasing difference in land use consumption for residential development in the Escondido region is reflected in recent housing construction during the five-year report period with an estimated 2,431 new dwelling units added in Rincon del Diablo MWD compared to 94 in Deer Springs FPD; a twenty-six fold difference.

6. San Diego LAFCO projects the current growth rate within the Escondido region will generally hold over the report timeframe and this includes the continued intensification of Rincon del Diablo MWD and marked by two new unincorporated developments at its southwest boundary: Harmony Grove Village South and Valiano.

7. San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to Deer Springs FPD and Rincon del Diablo MWD and incorporate the information into the next scheduled municipal service review.

8. Monthly housing costs in the Escondido region and specifically within Deer Springs FPD and Rincon del Diablo MWD are relatively equal and have largely stagnated over the five-year report period and attributed – among other factors – to increased housing stock. The composite monthly housing cost of $1,932 within the two Districts, however, remains one-fifth higher than the countywide average of $1,578.

9. A review of demographic information reveals similarities in economic and social standing within Deer Springs FPD and Rincon del Diablo MWD that collectively contrast with countywide averages and highlighted by the population being generally older with more income. Additional demographic details follow.

   (a) Residents within Deer Springs FPD and Rincon del Diablo MWD tend to be older with medium ages of 46 and 41, respectively; ages that are one-fifth higher than the current countywide average of 35.

   (b) Residents within Deer Springs FPD and Rincon del Diablo MWD have similarly experienced moderate increases in their household incomes during the report period with present median amounts at $80,685 and $88,882, respectively. These amounts are one-fifth or more above the countywide average of $66,529.

   (c) Residents within Deer Springs FPD and Rincon del Diablo MWD are increasingly homogeneous as measured by non-English language residents decreasing by no less than (10%) in both Districts during the report period. Non-English speaking resident totals in both Districts are also one-fourth below the countywide average.

## 5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities

1. San Diego LAFCO estimates approximately 3% of the Escondido region within Deer Springs FPD and Rincon del Diablo MWD currently qualifies as a disadvantaged unincorporated community under State and local policy. Additional details follow.

   (a) An estimated 6% of Deer Springs FPD's jurisdictional boundary comprising 1,523 acres qualifies as a disadvantaged unincorporated community. The subject lands are entirely located on the west end of the District and include 118 parcels with Assessor records suggesting 29% are already developed.

   (b) An estimated 1% of Rincon del Diablo MWDs jurisdictional boundary comprising 98 acres qualifies as a disadvantaged unincorporated community. The subject lands are located in two distinct areas within the District center and include 126 parcels with Assessor records suggesting 96% are already developed.

2. Adjacent non-jurisdictional lands currently qualifying as disadvantaged unincorporated communities apply only to Deer Springs FPD and lie west towards Bonsall. These adjacent disadvantaged unincorporated community lands total 1,144 acres with Assessor records suggesting 75% are developed.

3. State law emphasizes San Diego LAFCO consider the availability of fire protection, water, and wastewater services in disadvantaged unincorporated communities as part of the municipal service review process. To this end, the following statements apply.

   (a) All adjacent lands to Deer Springs FPD that currently qualify as disadvantaged unincorporated communities are within the jurisdictional boundaries of organized fire protection, water, and wastewater service providers that include Vista FPD, Rainbow MWD and Vallecitos Water District.

   (b) Additional analysis is needed to assess the portion of adjacent lands to Deer Springs FPD that currently qualify as disadvantaged unincorporated communities in determining the status of actual connections to the water and wastewater systems operated by Rainbow MWD and Vallecitos Water District.

4. A sizeable area adjacent to Rincon del Diablo MWD to the west and southwest – including Elfin Forest – previously qualified as a disadvantaged unincorporated community. This designation was removed in 2018 based on new census data showing improved economic conditions, and it is reasonable to assume this may duplicate in the near future involving current qualifying lands adjacent to Deer Springs FPD.

## 5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. Deer Springs FPD and Rincon del Diablo MWD have established adequate capacities in meeting current demands in the Escondido region for their core municipal services under normal conditions involving fire protection and emergency medical and potable water, respectively. These capacities and excesses therein are expected to sufficiently hold through the end of the report timeframe.

2. The following statements apply to the Deer Springs FPD with respect to the availability, adequacy, and performance of its lone active municipal service: fire protection and emergency medical.

(a) Deer Springs FPD's fire protection and emergency medical services commenced in 1982. These services successfully transitioned from an initial combination career-volunteer organization to all-career organization through a contract with CAL FIRE and presently serve an estimated resident population of 12,362.

(b) Overall onsite incidents within Deer Springs FPD have averaged 2.9 daily over the five-year report period. Demands have also increased overall by 29% during this period and are largely attributed to incidents along Interstate 15.

(c) Deer Springs FPD has responded exclusively to 85% of all onsite incidents within the District during the five-year report period without the aid of outside agencies. This response rate substantiates the District has developed and maintained adequate resources to meet demands.

(d) Less than 7% of all onsite incidents within Deer Springs FPD during the five-year report period were responded exclusively by outside agencies through automatic or mutual aid agreements. This limited dependence on outside agencies coupled with the corresponding increase in overall demand further substantiates the District has available and excess capacities to meet demands.

3. The following statements apply to the Rincon del Diablo MWD with respect to the availability, adequacy, and performance of its four active municipal services: potable water; recycled water; wastewater; and fire protection and emergency medical.

(a) With respect to potable water, San Diego LAFCO determines the following.

i. Rincon del Diablo MWD's potable water services commenced in 1955 and presently comprises two non-contiguous service areas, Improvement District 1 and Improvement District A. The estimated combined resident population within the two service areas is 29,955.

ii. Rincon del Diablo MWD's potable water supplies are entirely drawn by contract from the San Diego County Water Authority. The availability of these supplies – notably – has proven increasingly reliable due to ongoing investments and absent a significant infrastructure failure is considered relatively stable and can withstand normal weather fluctuations.

iii. The average annual water production demands during the five-year report period for Rincon del Diablo MWD's main service area – Improvement District 1 – represents 9% of its maximum accessible supply based on infrastructure capacity to the Water Authority. The average peak-day demand during the period represents 19% of the District's available supply.

iv. The average annual water production demands during the five-year report period for Rincon del Diablo MWD's second service area – Improvement District A – represents 34% of its maximum accessible supply based on infrastructure capacity to the Water Authority via the City of Escondido. The average peak-day demand during the period, however, exceeds infrastructure capacity and produces a (26%) shortfall and necessitates dependency on storage to meet high usage periods.

v. Rincon del Diablo MWD's potable storage in Improvement District 1 can readily accommodate peak-day demands with the five-year report period average representing 39% of existing capacity. This storage amount is sufficient to cover 5.2 days of average daily usage without recharge.

vi. Rincon del Diablo MWD's potable storage in Improvement District A can readily accommodate peak-day demands with the five-year report period average representing 55% of existing capacity. This storage amount is sufficient to cover 6.9 days of average daily usage without recharge.

vii. Rincon del Diablo MWD's overall daily per capita water demand has decreased by (13.9%) over the five-year report period. This contrast with an overall estimated growth rate of 5% and suggest residents have economized usage through various conservation activities.

(b) With respect to recycled water, San Diego LAFCO determines the following.

i. Rincon del Diablo MWD's recycled water services commenced in 2004 and are currently dependent on supplies and connection therein to City of Escondido through a 1999 agreement with an initial term date of 2033.

ii. The agreement with the City of Escondido has proven reliable to date in providing Rincon del Diablo MWD adequate supplies to meet recycled water demands within the District. However, the agreement only guarantees an annual amount of recycled water presently equal to less than one-fifth of the

District's average annual demand during the five-year report period. The lack of additional supply guarantees leaves Rincon del Diablo MWD's investment in recycled water susceptible to shortfalls going forward and merits remedy and ideally through an expanded agreement with Escondido.

iii. Rincon del Diablo MWD's recycled water system is currently operating at capacity with respect to accessing available supplies from the City of Escondido based on average demands generated during the five-year report period. This capacity constraint is highlighted by annual demand averages equaling 126 % of the rated capacity of the interties with Escondido and results in added dependency on City storage, which is limited and has less than one day's worth of capacity to meet just District demands.

iv. The expected addition of recycled water supplies generated at Rincon del Diablo MWD's own Harmony Grove Village facilities will improve – but not eliminate – the current shortfall in daily supplies.

v. Existing annual recycled water demands for Rincon del Diablo MWD now equal more than one-half of the District's potable water production.

(c) With respect to wastewater services, San Diego LAFCO determines the following.

i. Rincon del Diablo MWD's wastewater service commenced in 2019 in conjunction with San Diego LAFCO's approval of the "Harmony Grove Village Reorganization." The approval included the activation of Rincon del Diablo MWD's latent wastewater service power and authorization therein to serve (collection, treatment, and disposal) the Harmony Grove Village development and its 742 residential dwelling units.

ii. Rincon del Diablo MWD's Harmony Grove Village facilities are designed to accommodate an average daily wastewater flow of 0.180 million gallons. Based on early demands, it appears these facilities will have excess capacity post buildout of Harmony Grove Village to accommodate additional flows equivalent to no less than 155 dwelling units without expansion.

iii. The municipal service review for the 2023-2027 study cycle period will be the first opportunity for San Diego LAFCO to document Rincon del Diablo MWD's actual wastewater demands and trends.

(d) With respect to fire protection and emergency medical services, San Diego LAFCO determines the following.

i. Rincon del Diablo MWD's fire protection and emergency medical services commenced in 1976 within the unincorporated portion of its jurisdictional boundary, which is referred to as Improvement District E. These services are now provided by contract from the City of Escondido with an estimated resident population of 14,133.

ii. Rincon del Diablo MWD's contract with the City of Escondido represents a successful functional consolidation that provides improved cost-certainty to the District and eliminates otherwise duplicative services in the region.

iii. Overall service demands for fire protection and emergency medical within Rincon del Diablo MWD during the five-year report period have averaged 581 onsite responses annually or 1.6 per day. This average represents less than 5% of overall City of Escondido onsite demands during the period.

iv. The City of Escondido reports onsite responses in Rincon del Diablo MWD generally conform to the City's own adopted standard for priority calls of seven and one-half (7½) minutes no less than 90% of the time over the five-year report period.

v. Rincon del Diablo MWD should consider adopting its own response standards for fire protection and emergency medical services to clarify the District's performance expectations and inform additional service planning.

vi. Additional analysis regarding demands and performance of fire protection and emergency medical services within Rincon del Diablo MWD will be incorporated into the second phase of the municipal service review and the comprehensive evaluation of the City of Escondido.

## 5.4 Agencies' Financial Ability to Provide Services

1. Deer Springs FPD and Rincon del Diablo MWD both finished the five-year report period in good financial standing based on standard measurements showing the agencies have relatively high or otherwise good liquidity, capital, and margin levels. This good and sustained fiscal standing serves to stabilize both agencies' municipal service activities in the Escondido region and reflects effective management.

2. Deer Springs FPD's net position has steadily increased each year during the five-year report period with an overall change of 24% from $10.6 million to $13.1 million and produces a net gain of $2.5 million. Additional details on financial standing follow.

   (a) The unrestricted portion of Deer Springs FPD's net position has increased by three-fifths over the five-year report period and finished with a balance equal to cover 25 months of actual operating expenses.

   (b) Deer Springs FPD experienced an average annual total margin gain of 14% during the five-year report period paired with a slightly higher operating margin.

   (c) Deer Springs FPD finished the five-year report period with nearly no debt.

   (d) Deer Springs FPD does not have any pension obligations.

3. Rincon del Diablo MWD's net position has steadily increased during the report period with an overall change of 15% from $51.7 million to $59.4 million and produces a net gain of $7.8 million. Additional details on financial standing follow.

   (a) The unrestricted portion of Rincon del Diablo MWD's net position has increased by over one-third during the five-year report period and finished with a balance equal to cover 15 months of operating expenses.

   (b) Rincon del Diablo MWD experienced an average annual total margin gain of 17% during the five-year report. The operating margin finished lower with an overall change of 7%.

   (c) Rincon del Diablo MWD finished the five-year report period with a relatively low debt ratio of 17% with nearly all of it tied to recently assuming $10.1 million in debt in 2016 to make improvements to the potable water distribution system.

   (d) Rincon del Diablo MWD's combined funded ratio for pension obligations as of the last annual valuation is 75.3% and considered average relative to industry standards. This ratio – nonetheless – has decreased overall by (11%) over the prior 48-month period in which statements from CalPERS were available.

## 5.5 Status and Opportunities for Shared Facilities and Resources

1. Deer Springs FPD and Rincon del Diablo MWD have both established responsive shared resources with other agencies in fulfilling their responsibilities to provide specified municipal services to their respective constituents in the Escondido region. A pertinent example involving both Districts involves their decisions to contract out fire protection operations, and in doing so co-op the economies of scale offered by larger service providers in CAL FIRE and City of Escondido.

2. Deer Springs FPD has established a mutually beneficial contract relationship with the County of San Diego Fire Authority that currently provides the District with $0.800 million annually towards the District's CAL FIRE contract and in return helps fortify fire protection coverage in its unincorporated service area. Opportunities to extend and/or strengthen this relationship should be explored consistent with San Diego LAFCO's policy objective to facilitate the orderly expansion of the County Fire Authority and its role to organize and improve fire service in unincorporated San Diego County.

3. Recycled water has become a valuable commodity in the Escondido region and evident with its sales representing now one-third of all Rincon del Diablo MWD's water production. Rincon del Diablo MWD's ability to maintain and expand it recycled water operations, however, requires additional supplies and ancillary facilities with options therein seemingly limited to expanding its relationship with the City of Escondido.

4. Additional analysis is merited to consider opportunities for new and/or expanded resource sharing within the Escondido region involving both Deer Springs FPD and Rincon del Diablo MWD as well as with the City of Escondido. San Diego LAFCO, accordingly, defers additional analysis to the second phase of this municipal service review and the evaluation of the City of Escondido.

## 5.6 Local Accountability and Government Restructure Options

1. Deer Springs FPD and Rincon del Diablo MWD are both governed by responsive officials and illustrated by holding regular monthly meetings, overseeing balanced budgets, and employing and/or otherwise contracting with professional staff. These attributes create trust with constituents and help ensure their ongoing financial investment in the agencies is appropriately reciprocated.

2. San Diego LAFCO should proceed to further evaluate and determine wastewater service responsibilities in the southwest portion of the Escondido region and incorporate the analysis into subsequent sphere updates. The analysis would respond to current uncertainty in the region given overlapping infrastructure and interests therein between Rincon del Diablo MWD and the City of Escondido to provide wastewater services to existing and planned development.

3. San Diego LAFCO should add to a future workplan an addendum to separately assess governance options involving Rincon del Diablo MWD and the City of Escondido given the existing overlap in boundaries and service activities. The addendum would address existing questions in the region and premised as an informational document and possibility transition with merit to facilitate a functional or political consolidation with the latter including – but not limited to – creation of a subsidiary district.

4. A sizeable portion of Rincon del Diablo MWD's jurisdictional boundary lies outside any of its improvement districts and do not receive any municipal services from the District. Irrespective of other determinations, it would be appropriate for San Diego LAFCO to work with Rincon del Diablo MWD to align the jurisdictional boundary to more succinctly reflect existing and/or planned services and eliminate non-responsive and/or otherwise artificial boundary markers.

5. A preliminary review indicates comprehensive updates to Rincon del Diablo MWD and Deer Springs FPD's spheres of influence are merited at this time to consider one or more changes involving both agencies. These updates should be timed in step with the Escondido update and formally added to the workplan for 2019-2020.

# CHAPTER THREE | AGENCY PROFILES

## A. DEER SPRINGS FPD

### 1.0 OVERVIEW

**Deer Springs FPD**
Entrance to the Welk Resort and Golf Course



*Photo Credit: Google*

The Deer Springs Fire Protection District (FPD) is an independent special district formed in 1981. Formation proceedings were initiated by the County of San Diego on behalf of interested landowners for purposes of assuming and formalizing fire protection services previously provided to the unincorporated community by the Deer Springs Volunteer Fire Company. Deer Springs FPD encompasses an approximate 44.2 square mile or 28,275 acre jurisdictional boundary to the immediate north and east of the Cities of Escondido and San Marcos. The jurisdictional boundary is anchored by two distinct residential subdivisions – Jesmond Dene and Hidden Meadows – and the Welk Resort and Golf Course. An approximate 17 mile section of Interstate 15 also bisects the jurisdictional boundary. Governance is provided by a five-person board with members directly elected at-large by registered voters and serve four- year terms.

Deer Springs FPD is organized as a limited purpose agency with municipal operations activities tied to providing two distinct services – structural fire protection and emergency medical – with both facilitated through a staffing contract with the California Department of Forestry and Fire Protection or CAL FIRE. Deer Springs FPD is also authorized – subject to LAFCO approving latent power expansions – to provide ambulance, hazardous material transport/disposal, and weed and rubbish abatement.[10] The operating budget at the end of the report period (2017-2018) was $6.812 million with three-fourths – $4.929 million – paying the CAL FIRE contract . The last audited financial statements cover 2017-2018 and show the net position totaling $13.091 million with the unrestricted portion tallying $10.687 million. This latter amount represents the equivalent of 25 months of recent operating expenses.

LAFCO independently estimates the fulltime resident population within Deer Springs FPD is 12,362 as of the term of this report period and accommodated through 4,781 current housing units. It is also estimated the overall resident population has increased by 612 since 2010 with

[10] Ambulance services separately require approval from the County of San Diego to award an operating contract.

a resulting annual growth rate of 0.62%, which is one-third below the countywide average. It is also projected growth will continue over the next five-year period consistent with recent trends given no substantive projects are planned and result in the population reaching 12,821 in 2023. The median household income is $80,685 based on the current five-year period average and more than one-fifth higher than the countywide average.

## 2.0 BACKGROUND

### 2.1 Community Development

Deer Springs FPD's present-day service area initially developed in parallel to the neighboring City of Escondido and the shared aftermath of the award and subsequent subdividing of the Rancho Rincon del Diablo land grant to Juan Bautista Alvarado in 1843. Unlike municipal lands to the south, the service area developed and maintained its agrarian uses well into the 1900s. Residential development began to occur in the service area by 1920s and marked by the County of San Diego approving the first unit of the Jesmond Dene Subdivision and its initial 266 lots in 1924. Subsequent residential developments coupled with regional growth demands led to the addition of the service area in the formation of the Valley Center Municipal Water District in 1954. This latter formation, notably, led to a new phase of planned development in the service area with the Lawrence Welk Resort and Golf Course in 1964 and the Hidden Meadows Subdivision in 1971.[11] The Deer Springs Volunteer Fire Company was subsequently created in 1972 to establish localized fire protection for the service area. The original fire station was constructed in 1981 with proceeds from developer fees along with trucks and equipment from the County.

**Early Deer Springs Community**
Hidden Meadows, Circa 1900s



*Photo Credit: Escondido History Center*

### 2.2 Formation Proceedings

Deer Springs FPD's formation was initiated by the County of San Diego on behalf of interested landowners in August 1980 for purposes of improving fire protection levels in the service area and through its own ability to raise dedicated public funding. LAFCO approved the formation in July 1981 subject to voter approval and on the condition of passing an availability charge to provide baseline funding for fulltime paid personnel to augment ongoing volunteer activities.

[11] Units One and Two of the Hidden Meadows Subdivision were approved in 1971 and 1973, respectively, and collected totaled 240 lots.

Voters subsequently approved the formation and the accompanying availability charge in November 1981.[12]

## 2.3 Post Formation Activities

A summary of notable activities undertaken by Deer Springs FPD and/or affecting the District's jurisdictional boundary following its formation in 1981 is provided below.

- Deer Springs FPD assumes full funding responsibilities from the County of San Diego for fire protection services within its jurisdictional boundary in July 1982.
- Deer Springs FPD adopts budget in June 1983 for the 1983-1984 fiscal year that raises paid personnel from three to six while retaining 24 volunteers.
- LAFCO establishes a sphere of influence for Deer Springs FPD in November 1983. The sphere is set as a smaller-than-agency designation and excludes jurisdictional lands lying within the spheres of the Cities of Escondido and San Marcos with the premise these lands will ultimately be served by City fire operations.
- Deer Springs FPD establishes a contract relationship with CAL FIRE to assume full operations beginning in July 1994.
- Deer Springs FPD receives voter approval to establish a second special assessment to fund enhanced fire suppression services in July 2004.
- LAFCO updates and affirms Deer Springs FPD's sphere of influence as a smaller-than-agency designation with no changes as part of countywide review of all special districts fire protection districts in February 2005.[13]
- The County of San Diego Fire Authority begins to provide Deer Springs FPD an annual subsidy to cover fire protection service costs in July 2006.
- LAFCO amends Deer Springs FPD's sphere of influence to exclude 15.6 acres detached and annexed to City of Escondido in October 2011.
- LAFCO updates and affirms Deer Springs FPD's sphere of influence with smaller-than-district designation with no changes in March 2014.

[12] The final vote tally approving Deer Springs FPD's formation and the availability charge was 84.6% (1,351) for to 15.4% (245) against.
[13] Related updates are approved in May and August 2007.

# 3.0 BOUNDARIES

## 3.1 Jurisdictional Boundary

Deer Springs FPD's jurisdictional boundary spans approximately 44.2 square miles and covers 28,275 acres (parcels and rights-of-ways). It comprises 1.0% of the County of San Diego's total land area. The County of San Diego is the sole land use authority within the jurisdictional boundary. The unincorporated lands are further divided for planning purposes between the County's Valley Center Community Plan and the North Metropolitan Community Plan. The primary land use is low to moderate density residential with most of the terrain characterized as rugged with steep hillsides and deep canyons. Several distinct neighborhoods make up the jurisdictional boundary and include Castle Creek, Circle R, Gopher Canyon, Jesmond Dene, Hidden Meadows, Rimrock, and Welk Resort. Overall there are 8,654 registered voters currently within Deer Springs FPD.

Deer Springs FPD's jurisdictional boundary spans 44.2 square miles or 28,275 acres. It is entirely unincorporated and overlaps the land use authority of the County of San Diego.

**Deer Springs FPD**
**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 | 28,275 | 100% | 31,136 | 8,674 |

Total assessed value (land and structure) within the jurisdictional boundary is $2.439 million as of April 2019 and translates to a per acre value ratio of $73.61. The former amount further represents a per capita value of $197.30 based on the estimated service population of 12,362. Deer Springs FPD receives 2.07% of the annual 1.0% of property tax collected in the District.

The Deer Springs FPD jurisdictional boundary is currently divided into 33,136 legal parcels that total 26,805 acres excluding roads and public rights-of-way. Less than 1.0% of the parcels are under public ownership. The rest of the parcels – or 33,005 – are privately owned with 95.3% therein already showing development or improvements, albeit not necessarily at the highest density allowed. The percentage of privately-owned parcels that are already developed to some degree, however, only equals three-fifths of the acreage total. The remaining two-fifths of all privately-owned acreage in the jurisdictional boundary are vacant. Less than six percent of the jurisdictional boundary qualifies as a disadvantaged unincorporated community and involves lands along with western side towards the City of Vista.

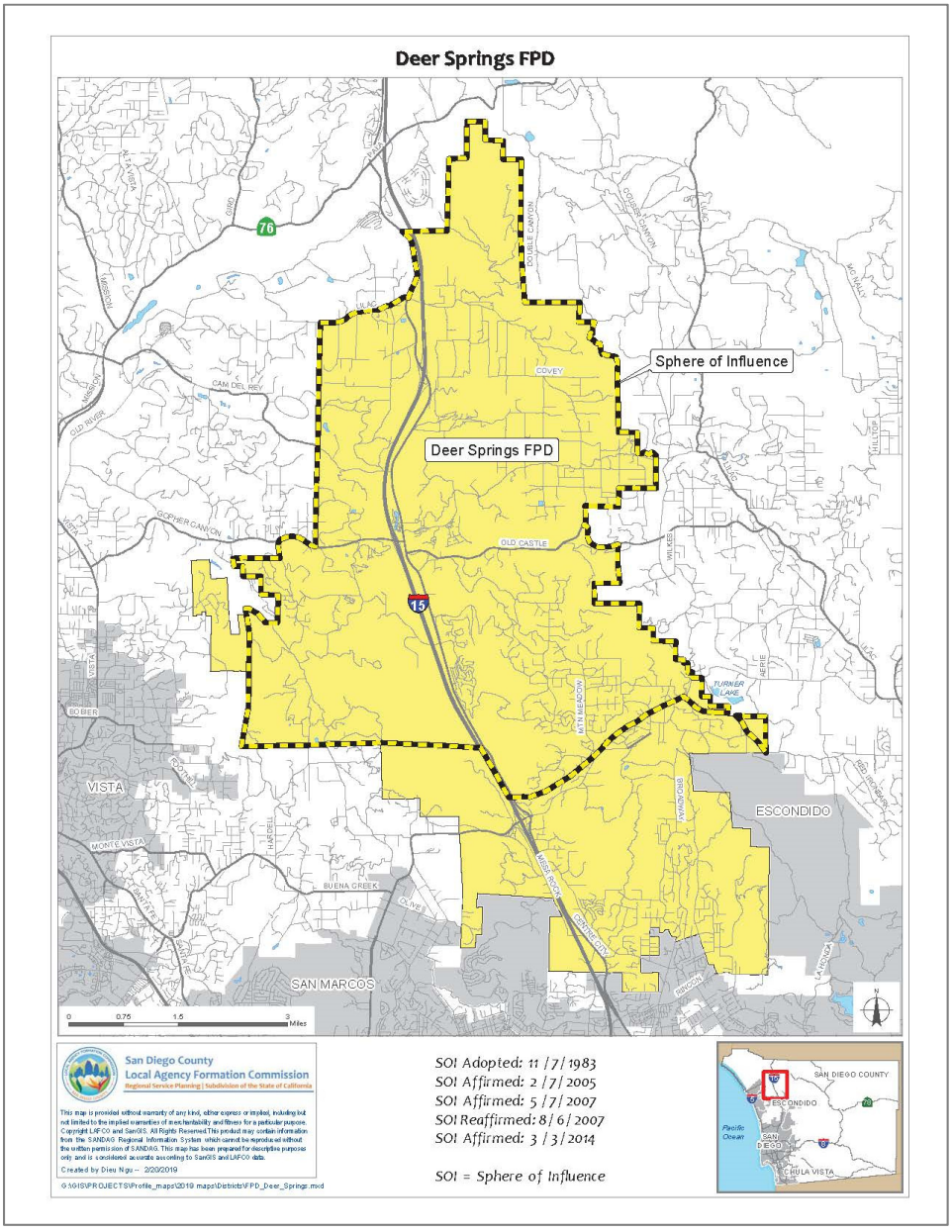
There are 1,554 privately owned parcels within Deer Springs FPD that remain vacant and span 11,966 acres; an amount that represents more than two-fifths of the entire District.

## 3.2 Sphere of Influence

Deer Springs FPD's sphere of influence was established by LAFCO in 1983. The sphere has been subsequently updated and/or amended several times thereafter and presently spans 44.2 square miles or 28,275 acres. The sphere does not include any non-jurisdictional lands. The sphere – however – does exclude 8,020 jurisdictional acres that are simultaneously located within the spheres of the Cities of Escondido and San Marcos and represents close to 12.5% of the jurisdictional boundary.

Deer Springs FPD's sphere of influence is 12.5% smaller than the jurisdictional boundary and excludes 8,020 jurisdictional acres.

## 3.3 Current Boundary and Sphere



# 4.0 DEMOGRAPHICS

## 4.1 Population and Housing

The Deer Springs FPD total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 12,362 as of the term of the five-year report period. This estimate represents 0.4% of the countywide total. It is also estimated the resident population has risen by 5.2% from 11,750 in 2010 and the last census reset. This translates to an annual change of 0.62% and is one-third lower than the corresponding countywide trend of 0.94%. It is projected the current growth rate will maintain in the near-term and result in a resident population increasing to 12,821 by 2023. The jurisdiction has a population density of 1 resident for every 2.3 acres.

It is estimated there are 12,362 current fulltime residents within Deer Springs FPD. It is projected the population will increase consistent with recent trends and reach 12,821 by 2023.

**Deer Springs FPD**
**Resident Population**
Table 4.1a (Source: Esri and San Diego LAFCO)

| Factor | 2010 | 2018 | 2023 (projected) | Annual Change % |
|---|---|---|---|---|
| Deer Springs FPD | 11,750 | 12,362 | 12,821 | 0.62% |
| San Diego County | 3,095,264 | 3,344,136 | 3,499,829 | 0.94% |

There are presently 4,781 residential dwelling units within Deer Springs FPD. This amount represents an overall increase of 94 units since 2010 for an annual gain of less than 10 units. Further, of the current total, 78.8% of dwelling units are owner-occupied, 18.6% are renter-occupied, and the remaining 7.9% are vacant. The average household size is 2.9 as of 2016 and has increased 4.0% from 2.8 in 2011. The mean monthly housing cost in Deer Springs FPD has decreased by (8.8%) from $2,084 to $1,900 based on the most recent five-year period averages. This current monthly housing cost in Deer Springs FPD, however, remains 20.0% higher than the countywide total of $1,578.

Housing production in Deer Springs FPD currently totals 4,781 dwelling units; an amount that has increased by 94 since 2010. The average monthly housing cost in Deer Springs FPD is $1,900, and one-fifth higher than countywide average.

**Deer Springs FPD**
**Housing Breakdown**
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

| Jurisdiction | 2010 Housing Units | 2018 Housing Units | Change | 2010 Monthly Housing Cost | 2018 Monthly Housing Cost | Change |
|---|---|---|---|---|---|---|
| Deer Springs FPD | 4,687 | 4,781 | 2.0% | $2,085 | $1,901 | (8.8%) |
| 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 Deer Springs FPD is 46.0 based on the current five-year period average. This amount represents an overall increase of 2.3% from 44.9 over the preceding five-year period average; it is also nearly one-third higher than the countywide average of 35.3 Residents in the prime working age group (ages 25 to 64) make up over half of the total population at 53.3% and one-tenth higher the countywide average of 47.0%.

Residents within Deer Springs FPD tend to be older with a medium age of 46.0; an amount that is close to one-third higher than the countywide average of 35.0.

**Deer Springs FPD**
**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 |
|---|---|---|---|---|---|---|
| Deer Springs FPD | 44.9 | 46.0 | 2.3% | 54.2% | 53.2% | (1.7%) |
| San Diego County | 34.6 | 35.3 | 2.0% | 53.4% | 47.0% | (11.9%) |

## 4.3 Income Characteristics

The median household income in Deer Springs FPD is $80,685 based on the current five-year period average. This amount represents an overall increase of 5.3% from the preceding five-year period average of $76,624. The current median household income in Deer Springs FPD is over one-fifth higher than countywide median of $66,259, which has separately increased over the preceding five-year period by 4.2%. The current average rate of persons living below the poverty level in Deer Springs FPD is 9.4% and one-tenth lower than the countywide rate of 14%. However, the poverty rate has increased by nearly one-fifth over the last five-year period and more than twice the corresponding change in the countywide rate. The share of the population in Deer Springs FPD that works from home has decreased from 8.7% to 7.8% and mirrors the countywide average of 7%.

Deer Springs FPD residents' average median household income has experienced a moderate increase in recent years and is currently $80,685. This amount is more than one-fifth higher than the countywide median of $66,529.

**Deer Springs FPD**
**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 |
|---|---|---|---|---|---|---|
| Deer Springs FPD | $76,624 | $80,685 | 5.3% | 7.9% | 9.4% | 17.9% |
| San Diego County | $63,857 | $66,529 | 4.2% | 13.0% | 14.0% | 7.7% |

## 4.4 Socioeconomic Indicators

Current socioeconomic indicators within Deer Springs FPD generally follow countywide averages with two exceptions: unemployment levels are one-half lower and non-English speaking resident totals are two-thirds lower.

Unemployment levels within Deer Springs FPD are relatively low and have been getting lower with the recent five-year averages decreasing by one-third from 4.8% to 3.2%; the latter amount also falling substantively below the current countywide average of 4.9%. Nearly one-fourth of the population currently collects retirement at 24.3% and moderately contrasts with the countywide average of 17.7%. Separately, formal educational levels within Deer Springs FPD are generally consistent with countywide averages with 34.6% of residents age 25 and older in the District holding bachelor degrees or higher based on the current five-year period average. This amount is slightly below the countywide average of 36.5%. The non-English speaking population has decreased by almost one-fifth from 10.7% to 9% over the two five-year period averages with the ending amount being more than two-thirds lower than the current countywide average.

**Deer Springs FPD**
**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 |
|---|---|---|---|---|---|---|
| Deer Springs FPD | 4.8% | 3.2% | (33.2%) | 10.7% | 8.97% | (16.0%) |
| San Diego County | 5.6% | 4.9% | (12.5%) | 16.1% | 15.0% | (6.8%) |

# 5.0 ORGANIZATION

## 5.1 Governance

Deer Springs FPD's governance authority is established under the Fire Protection District Law (Health & Safety Code §13800, et seq.). This principal act empowers Deer Springs FPD to provide a moderate range of municipal services upon approval by LAFCO. Deer Springs FPD is currently authorized to provide two distinct municipal services: (a) structural fire protection and (b) emergency medical services. All other powers enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing. Similarly, should it ever seek to divest itself of directly providing an active service, Deer Springs FPD would also need to seek LAFCO approval. A list comparing Deer Springs FPD's active and latent powers follows along with applicable class functions.

| Active Service Powers | Latent Service Powers |
|---|---|
| Fire Protection | Ambulance Transport |
| - Structural Class | Hazardous Material Transport & Disposal |
| Emergency Medical | Weed and Rubbish Abatement |
| - Advance Life Care | |

Deer Springs FPD has operated since its formation in 1981 as an independent special district with governance provided by an at-large five-member board. Board members must be registered voters that reside in the District's jurisdictional boundary. The term of office of each member is four years. The Board regularly meets on the second Wednesday of each month at the Fire Station No. 1 at 8709 Circle R Dive. Directors receive a $100 per diem for each meeting attended. A current listing of the Board along with respective backgrounds follows.

Board meetings are regularly scheduled on the second Wednesday of each month at the Circle R Fire Station. Board members receive a $100 per diem for their attendance.

**Deer Springs FPD**
**Current Governing Board**
Table 5.1a (Source: Deer Springs FPD)

| Member | Position | Years on the Board | Background |
|---|---|---|---|
| Bret Sealey | President | 6 | Engineering |
| Jean Slaughter | Vice President | 11 | Fire Service |
| Mark Jackson | Secretary/Treasurer | 2 | Finance |
| James Gordon | Director | 2 | International advising |
| Brian Holley | Director | 1 | Construction |

## 5.2 Administration

Deer Springs FPD contracts with the CAL FIRE for all administrative and operational activities as part of a "Schedule A" contract.[14] This contractual relationship commenced in July 1994 and – among other functions – provides for the assignment of a CAL Fire Battalion Chief to serve as Deer Springs FPD Chief and oversee all day-to-day activities. The current Fire Chief – Rick Johnson – has been assigned to Deer Springs FPD since September 2018 and currently oversees 24 operational staff and one budgeted fulltime administrative employee. Additional administrative details are footnoted.[15]

**Deer Springs FPD Headquarters**
8709 Circle R Drive, Escondido, CA 92026



[14] "Schedule A" arrangements involve staffing contracts between CAL FIRE and a local governmental agency (county, city, district, etc.) for year-round fire protection service.

[15] Deer Springs FPD receives additional service from CAL FIRE through an "Amador Contract" that extends the service season for the CALFIRE Station on West Lilac Road. Deer Springs FPD also contracts with County Fire Authority for supplemental coverage by County Volunteer Reserves.

# 6.0 MUNICIPAL SERVICES

Deer Springs FPD currently provides two municipal services: (a) structural fire protection and (b) emergency medical. These two municipal services are organized as one integrated function by Deer Springs FPD and commenced in 1982 following the District's formation and as successor to an all-volunteer fire company. A summary analysis of this integrated service follows with respect to capacities, demands, and performance.

## 6.1 Fire Protection and Emergency Medical Services

Deer Springs FPD's fire protection and emergency medical services (first responder) were initially provided as a combination career-volunteer agency. Operations transitioned to the current all-career operations beginning in July 1994 in step with Deer Springs FPD contracting with CAL FIRE. Deer Springs FPD's fire protection and emergency medical services are primarily funded by two voter-approved special assessments from 2004 (fire suppression) and 1981 (availability) and an annual subsidy provided by the County of San Diego Fire Authority. These three funding sources collectively account for over four-fifths (87%) of all District revenues during five-year report period. The main expense is the CAL FIRE contract and it accounts for over four-fifths of all expenses during the report period.

### Service Capacities

Deer Springs FPD's fire protection and emergency medical services' capacities are primarily dependent on human resources derived from its operations contract with CAL FIRE. The contract was most recently renewed in August 2018 for five years and currently provides Deer Springs FPD with 24 total career public safety personnel divided between one (1) chief, three fire captains (3), one paramedic captain (1), six Fire Apparatus Engineers Paramedics (6), two Fire Apparatus Engineers (2) and ten firefighters (10). The contract also provides support services including code enforcement and dispatch with the latter provided through CAL FIRE's Monte Vista Center in El Cajon. All public safety personnel are assigned to one of three stations and work three-day shifts (72 hours on and 96 hours off). All three stations are continuously staffed by three-person work shifts that includes as least one officer and at least one paramedic with the latter trained to provide advance life support or ALS. (All personnel are trained to provide basic life support or BLS.) Reserves from the County Fire Authority are also utilized. A fulltime administrator supplements public safety operations and oversees billing and finance. Staffing levels have remained consistent over the five-year report period.

**Deer Springs FPD**
**Staffing Levels**
Table 6.1a | Source: Deer Springs FPD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Average | Trend |
|---|---|---|---|---|---|---|---|
| Public Safety | 24 | 24 | 24 | 24 | 24 | 24 | 0.0% |
| Non-Public Safety | 2 | 2 | 4 | 2 | 2 | 2.8 | 0.0% |
| Total | 26 | 26 | 28 | 26 | 26 | 26.4 | 0.0% |

Actual fire protection and emergency medical services are delivered out of three fire Deer Springs FPD stations based on dispatch from CAL FIRE. Details follow.

- Station No. 1 is located within the center of the jurisdictional boundary at 8709 Circle R Drive in unincorporated Escondido. It also serves as Deer Springs FPD's headquarters and the location of monthly Board meetings. Station No. 1 typically responds to most dispatched calls within the District and covers the West Lilac, Castle Creek, Gopher Canyon, and Welk Resort areas as well as the majority of incidents on Interstate 15. There are currently 6 public safety personnel assigned to Station No. 1 along with three fire engines.

- Station No. 2 is located towards the southern parameter of the jurisdictional boundary at 1321 Deer Springs Road in unincorporated San Marcos. Station No. 2 typically responds to the second most amount of dispatched calls within the District and covers the Jesmond Dene and North Broadway areas along with a portion of Interstate 15. There are currently 6 public safety personnel assigned to Station No. 2 along with one fire engine.[16]

- Station No. 3 is located towards the eastern parameter of the jurisdictional boundary at 10308 Meadow Glen Way East in unincorporated Escondido. Station No. 3 typically responds to the lowest number of dispatched calls within the District and covers the Hidden Meadows and Rimrock areas. There are currently 6 public safety personnel assigned to Station No. 3 along with two fire engines.

The following table summarizes station staffing and fleet vehicle assignments. In addition to the public safety staffing numbers documented in the table, DS FPD maintains three staff members as fixed relief and two staff members as Vacation Relief.

[16] Station No. 2 is also assigned an Urban Search and Rescue (USAR) vehicle that is funded by the County of San Diego Fire Authority and used as a regional emergency response asset.

**Deer Springs FPD**
**Fire Stations' Assignments**
Table 6.1b (Source: Deer Springs FPD)

| Factor | Station No. 1 | Station No. 2 | Station No. 3 | Total |
|---|---|---|---|---|
| Public Safety Staffing | 6 | 6 | 3 | 15 |
| Fire Engines | 3 | 1 | 2 | 6 |
| Other Fleet Vehicles | 3 | 0 | | 3 |

## Service Demands

Over the five-year report period actual onsite arrivals for fire and/or emergency medical services in Deer Springs FPD have been on the rise and averaged 2.6 daily. Of this amount, Deer Springs FPD has been the exclusive responder 85.1% of the time and without the aid of outside agencies.

Overall service demands for fire protection and emergency medical within Deer Springs FPD during the five-year report period have averaged 1,078 dispatched calls annually or 2.9 daily. Approximately one-tenth – or 9.8% – of all dispatched calls were canceled and resulted in onsite arrivals averaging 972 annually or 2.6 daily. A breakdown of onsite arrivals show Deer Springs FPD responded to 90.2% of all incidents during the report period within its jurisdictional boundary. The breakdown also shows Deer Springs FPD responded exclusively to 85.1% of actual onsite incidents within its jurisdiction. Both dispatch calls and onsite arrivals have all increased by no less than one-fourth. The rise in overall demands also – notably – appears to underlie a two-third increase in the portion of onsite arrivals that are exclusively addressed by outside agencies. Nonetheless, and despite the recent increase, the portion of onsite arrival exclusively responded to by an outside agency through auto or mutual aids remains limited and marked by an overall average of 6.5%.[17] The following table summarizes annual calls and onsite arrivals – including agency responders – as well as trends during the corresponding 60-month period. Details concerning ambulance transport are footnoted.[18]

**Deer Springs FPD**
**Dispatch and Onsite Demands**
Table 6.1c (Source: CAL FIRE)

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | Average | % | Trend |
|---|---|---|---|---|---|---|---|---|
| Total Dispatched Incidents | 962 | 842 | 1,196 | 1,177 | 1,214 | 1,078.2 | 100% | 26.2% |
| Total Responses | 841 | 775 | 1,068 | 1,090 | 1,089 | 972.6 | 90.2% | 29.5% |
| - Responded by Deer Springs Only | 715 | 681 | 907 | 918 | 917 | 827.6 | 85.1% | 28.3% |
| - Responded by Other Agencies Only | 45 | 33 | 72 | 91 | 74 | 68.6 | 6.5% | 64.4% |
| - Responded by Deer Springs and Others | 81 | 61 | 89 | 81 | 98 | 76.4 | 8.4% | 21.0% |

[17] Deer Springs FPD maintains formal (auto-aid) and informal (mutual-aid) agreements to provide and receive fire protection coverage with the Cities of Escondido and San Marcos, North County and Vista FPDs, Ramona and Valley Center MWDs, and the Pala Reservation.

[18] Ambulance transport in Deer Springs FPD is provided by Mercy Ambulance through an exclusive operating agreement administered by the County of San Diego's Health and Human Services. Mercy Ambulance is stationed out of Station No. 1 and has averaged 608 transports over the report period. The annual amount of transports has decreased by (7.2%) over the corresponding 60-month period.

### Service Performance

It appears Deer Springs FPD's capacities as measured by staffing and equipment are sufficiently sized to readily accommodate existing demands within its jurisdictional boundary relative to local conditions highlighted by the District serving a semi-rural and expansive area. The sufficiency is quantified with Deer Springs FPD responding to nine-tenths of all onsite incidents within its jurisdictional boundary during the five-year report period. This sufficiently is similarly quantified by Deer Springs FPD's relatively low and insubstantial dependency on outside agencies during the report period with only 6 out of 100 onsite incidents necessitating aid-only responses.

Additional documentation and related analysis concerning response times is pending.

## 7.0 FINANCES

### 7.1 Financial Statements

Deer Springs FPD contracts with an outside accounting consultant to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes auditing Deer Springs FPD statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Deer Springs FPD's short and long-term fiscal health with specific focus on delivering its activated services. The current outside consultant is Fechter & Company LLP (Sacramento).

Deer Springs FPD's most recent audited financial statements for the five-year report period were issued for 2017-2018.[19] These audited statements show Deer Springs FPD experienced a positive change over the prior fiscal year as its overall net position (regular accrual basis) increased by 6.1% from $12.336 to $13.091 million and primarily attributed to an increase in current assets associated with carrying excess revenues. The accompanying auditor's report did not identify any weaknesses or related accounting concerns. 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 (2017-2018) | |
|---|---|
| Assets | 13,120,337 |
| Liabilities | 29,057 |
| Outflow/Inflow | - |
| Net Position | $13,091,280 |

[19] The audit for 2017-2018 was issued on December 12, 2018.

## Agency Assets

Deer Springs FPD's audited assets at the end of 2017-2018 totaled $13.120 million and finished 10.4% higher than the average year-end amount of $11.884 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented four-fifths of the total amount – or $10.716 million – with over 95% tied to cash and investments. Assets classified as non-current and not readily liquid make up the remainder of the total – or $2.403 million – and entirely tied to capital infrastructure with almost 70% associated with the structures and improvements comprising the three fire stations along with ancillary apparatus and trucks. Overall assets for Deer Springs FPD have increased by 24.1% over the corresponding 48-month period in which audited statements for the report period are available.

Deer Springs FPD's assets overall have increased by almost one-fourth over the last 48-months of the report period. This overall increase is primarily attributed to year-end surpluses underlying the rise in cash and investments from $7.713 to $10.228 million; a net change of $2.515 million.

**Deer Springs FPD**
**Audited Assets**
Table 7.1a | Source: Deer Springs FPD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 4-Year Average | 4-Year Trend |
|---|---|---|---|---|---|---|---|
| Current | n/a | 8,229,517 | 9,197,606 | 9,903,882 | 10,716,470 | 9,511,869 | 30.2% |
| Non-Current | n/a | 2,342,946 | 2,198,104 | 2,545,544 | 2,403,867 | 2,372,865 | 2.6% |
| Total | n/a | 10,572,463 | 11,395,710 | 12,450,426 | 13,120,337 | 11,884,734 | 24.1% |

## Agency Liabilities

Deer Springs FPD's audited liabilities at the end of 2017-2018 totaled $0.29 million and finished (56.3%) lower than the average year-end amount of $0.066 million documented during the five-year report period. Liabilities classified as current and representing obligations owed within the year accounted for slightly less than two-thirds of the total and tied to accounts payable. Liabilities classified as non-current and considered long-term debts make up the remaining one-third amount and tied to compensated absences. Liabilities have increased overall by 106.2% over the corresponding 48-month period in which audited statements for the report period are available.

Deer Springs FPD's liabilities remains relatively limited, but nonetheless have more than doubled during the report period. This overall increase is largely attributed to expanding accounts payable and rises in monies owned to vendors.

**Deer Springs FPD**
**Audited Liabilities**
Table 7.1b | Source: Deer Springs FPD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 4-Year Average | 4-Year Trend |
|---|---|---|---|---|---|---|---|
| Current | n/a | 5,221 | 99,627 | 114,007 | 18,610 | 59,366 | 256.4% |
| Non-Current | n/a | 8,872 | 9,225 | - | 10,447 | 7,136 | 17.8% |
| Total | n/a | 14,093 | 108,852 | 114,007 | 29,057 | 66,502 | 106.2% |

## Net Position

Deer Springs FPD's net position has steadily increased each year during the report period with an overall change of 24.0% from $10.558 million to $13.091 million. The net change has been $2.533 million.

Deer Springs FPD's audited net position or equity at the end of 2017-2018 totaled $13.091 million and represents the difference between the District'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 10.8% higher than the average year-end sum of $11.818 million documented during the five-year report period. One-fifth of the ending net position – or $2.403 million – is tied to capital assets with the remainder categorized as unrestricted. Overall the net position has increased by 24.0% over the corresponding 48-month period in which audited statements for the report period are available.

**Deer Springs FPD**
**Audited Net Position**
Table 7.1c | Source: Deer Springs FPD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 4-Year Average | 4-Year Trend |
|---|---|---|---|---|---|---|---|
| Capital or Restricted | n/a | 3,896,806 | 2,189,104 | 2,546,544 | 2,403,867 | 2,761,330 | (38.3%) |
| Non-Current | n/a | 6,661,564 | 9,088,754 | 9,789,875 | 10,687,413 | 9,056,902 | 60.4% |
| Total | n/a | 10,558,370 | 11,286,858 | 12,336,419 | 13,091,280 | 11,818,232 | 24.0% |

The unrestricted portion of Deer Springs FPD's net position has increased by three-fifths over the report period and finished 2017-2018 with a balance equal to cover 25 months of operating expenses.

Deer Springs FPD maintains three distinct funds – general, capital projects, and mitigation – underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled $10.687 million and represents the accrued and long-term spendable portion of the fund balance within all three funds. This unrestricted amount is the equivalent of 25 months of operating expenses based on actual expenses in 2017-2018. Additional review shows the general fund finished the report period with an unassigned balance of $7.566 million and represents the immediate spendable cash available to Deer Springs FPD.

## 7.2 Measurements | Liquidity, Capital, and Margin

Standard measurements in assessing financial standing show – and despite recent downward trends – Deer Springs FPD finished the report period with good and/or high levels of liquidity (available cash), capital (ability to assume debt), and margin (profitability).

A review of the audited financial statement issuances by Deer Springs FPD covering the five-year report period shows the District finished with relatively high and/or otherwise good levels of liquidity, capital, and margin based on standard measurements despite recent downward trends. Liquidity levels finished the report period with more than $576 in available cash to cover every $1 in near-term obligations (i.e., accounts payable). Capital levels remain nearly unblemished with a debt ratio of less than 1%. Deer Springs FPD also finished each year with positive total and operating margins of no less than 12.5%. Summaries of liquidity, capital, margin, and structure trends over the corresponding 48-month period in which audited statements are available follow.

**Deer Springs FPD**
**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 |
|---|---|---|---|---|---|---|---|---|
| 2013-2014 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2014-2015 | 1,576.2 to 1 | 766.1 | 0.1% | 0.1% | 12.5% | 16.9% | 170.2% | 14.3 |
| 2015-2016 | 92.3 to 1 | 817.4 | 1.0% | 0.1% | 14.3% | 17.2% | 216.7% | 17.9 |
| 2016-2017 | 86.9 to 1 | 774.2 | 0.9% | 0.0% | 17.8% | 20.8% | 210.4% | 17.8 |
| 2017-2018 | 575.8 to 1 | 777.2 | 0.2% | 0.1% | 12.5% | 15.3% | 211.9% | 16.9 |
| Average | 582.8 to 1 | 783.7 | 0.6% | 0.1% | 14.3 | 17.6 | 202.3 | 16.7 |
| Trend | (63.5%) | 1.5% | 66.1% | (5.0%) | (0.1%) | (9.2%) | 24.5% | 18.2% |

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 new cash income; an appropriate minimum threshold is 180 days.

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

Deer Springs FPD does not have recorded pension obligations.

# B. RINCON del DIABLO MWD

## 1.0 OVERVIEW

Rincon del Diablo Service Area



*Photo Credit: Rincon del Diablo MWD*

The Rincon del Diablo Municipal Water District (MWD) is an independent special district formed in 1954 for the purpose of establishing a member agency of the San Diego County Water Authority ("Water Authority") to provide retail water services within the unincorporated Escondido region. Formation proceedings were part of a second phase of local agencies in San Diego County joining and retailing the wholesale supplies the Water Authority was beginning to import from the Colorado River through its own agreement with the Metropolitan Water District of Southern California. Rincon MWD covers an area approximately 42.5 square miles or 27,205 acres in size with three-fifths of the lands lying within the City of Escondido. The remainder of the jurisdictional boundary is largely unincorporated and includes portions of the Eden Valley and Harmony Grove communities. Governance is provided by a five-member board elected by divisions.

Rincon del Diablo MWD is currently organized as a multi-purpose agency with municipal activities presently tied to providing four distinct services: (a) potable water; (b) recycled water; (c) wastewater; and (d) fire protection and emergency medical with much of the latter provided through contract with the City of Escondido. It is also authorized – subject to LAFCO approving latent power expansions – to provide community recreation, solid waste and garbage, and electric services. The operating budget at the term of the report period (2017-2018) was $16.8 million. The net position as of the last audited financial statements of June 30, 2018 was $59.4 million with the unrestricted portion tallying $22.9 million. This latter amount represents the equivalent of 15 plus months of normal operating expenses.

LAFCO independently estimates the fulltime resident population within Rincon del Diablo MWD is 132,076 as of the term of this report period and accommodated through 44,260 current housing units. (This estimate is for the entire jurisdictional boundary and referred to by Rincon del Diablo MWD as the "Parent District.") It is also estimated the overall population has increased by 9,266 since 2010 with a resulting annual growth rate of 0.95%. It is also projected growth will continue consistent with recent trends and result in the population reaching 137,602 over the next five-year period to 2023. The median household income is

$82,882 based on the current five-year period average and one-fifth higher than the countywide average of $66,529.

## 2.0 BACKGROUND

### 2.1 Community Development

**Old Escondido Train Station**
Western End of Grand Avenue, Circa 1890s

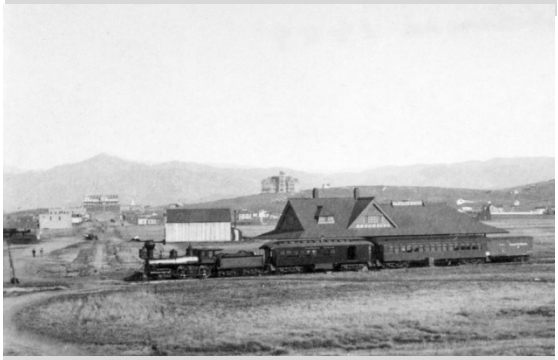


*Photo Credit: Escondido Library; Ryan Collection*

Rincon del Diablo MWD's service area began its development in the 1800s in parallel with the creation and awards of land grants – or ranchos – throughout California by the Mexican government. The Rancho Rincon del Diablo was granted to Juan Bautista Alvarado in 1843 and translates to "the devil's corner." The lands were subsequently divided with a sizable portion coming into the ownership of the Escondido Land and Town Company, which proceeded to market and develop residential and commercial uses in conjunction with helping to secure an extension of the Santa Fe Railway in 1887.[20] The City of Escondido was incorporated one year later in 1888 and facilitated the region's concerted transition from agricultural to urban uses and significantly aided therein with the opening of U.S. Route 395 in 1930. This transition in land uses culminated in Escondido's estimated population nearly tripling between 1930 and 1950 from 5,500 to 15,200 and ahead of a new wave of growth with the end of World War II.

### 2.2 Formation Proceedings

Rincon del Diablo MWD's formation was initiated by concerned citizens located outside the City of Escondido in 1953 in search of reliable water supplies through a public agency that could contract with the Water Authority. Formation proceedings, specifically, addressed increasing needs for water supplies in the surrounding unincorporated area coupled with the restrictions on the then-service provider for the City – Escondido Mutual Water – and its inability as a private entity to receive imports from the Water Authority. Formation proceedings were confirmed by voters following a special election held on February 16, 1954 with 88%, or 1,058 of 1,203 votes cast, in favor of the District's formation. A director was appointed for each of Rincon del Diablo MWD's five divisions at the time as well.

[20] "Escondido" translates to "hidden" in Spanish and likely refers to the geographical setting of the valley between mountainous foothills as a perceived hidden treasure.

## 2.3 Post Formation Activities

A summary of notable activities undertaken by Rincon del Diablo MWD and/or affecting the District's jurisdictional boundary following its formation in 1954 is provided below.

- Rincon del Diablo MWD is concurrently annexed into the Water Authority and Metropolitan Water District of Southern California in October 1954.

- Rincon del Diablo MWD establishes its first improvement district in January 1955 titled "1" to serve the western portion of the jurisdictional boundary. Rincon del Diablo MWD proceeds to construct a new water distribution system that directly connects to the Water Authority's transmission line through a voter-approved bond.

- Rincon del Diablo MWD establishes its second improvement district in December 1962 titled "A" to serve the southeastern portion of the jurisdictional boundary and instep with liquidating the Escondido Mutual Water Company. Rincon del Diablo MWD proceeds to expand the existing distribution system in the area with multiple connections to the City of Escondido through an additional voter-approved bond.

- Rincon del Diablo MWD activates its latent power to provide fire protection and emergency medical services in July 1976 and establishes three new improvement districts titled "F," "G," and "E." The activation – which predates LAFCO approval requirement – responds to a community petition to backfill services following the County of San Diego cancelling a contract with CAL FIRE. A special assessment is subsequently approved to provide baseline funding, including the construction of an initial fire station. Rincon del Diablo MWD later consolidates the three improvement districts into an expanded ID-E.

- Rincon del Diablo MWD enters an agreement for the City of Escondido to assume all fire protection and emergency medical services in April 1984. The agreement is rewritten in August 1989 as a permanent arrangement and can only be terminated under specific conditions.

- LAFCO establishes a larger-than-agency sphere of influence for Rincon del Diablo MWD in April 1985 to include approximately 27,000 non jurisdictional acres.

- LAFCO updates and affirms Rincon del Diablo MWD's sphere of influence with a larger-than-agency designation as part of regional study in September 2003. LAFCO reaffirms the larger-than-agency designation again in August 2007.

- LAFCO authorizes Rincon del Diablo MWD to activate wastewater services in June 2018 and subsequently becomes effective June 2019. The approval is specific to the 742-unit Harmony Grove Village Subdivision along the western jurisdictional boundary and includes the establishment of a secondary sphere specific to wastewater. The approval is made in conjunction with Rincon del Diablo MWD assuming ownership of a treatment facility from San Diego County Sanitation District.

## 3.0 BOUNDARIES

### 3.1 Jurisdictional Boundary

Rincon del Diablo MWD's jurisdictional boundary spans 42.5 square miles and overlaps two land use authorities with the City of Escondido being the largest with the incorporated area covering 62% of all District lands.

Rincon del Diablo MWD's existing jurisdictional boundary spans approximately 42.5 square miles and covers 27,205 acres (parcels and public rights-of-way). There are four land use authorities overlapping the jurisdictional boundary – the City of Escondido and the County of San Diego. The City of Escondido is the single largest land use authority in terms of associated acreage with an estimated 62% of all Rincon del Diablo MWD lands lying in the City. Nearly all of the other lands in the jurisdictional boundary are unincorporated and under the land use authority of the County of San Diego with the small remainder lying within the Cities of San Diego and San Marcos. Overall there are 65,115 registered voters currently within the Rincon del Diablo MWD jurisdictional boundary.[21]

**Rincon del Diablo MWD | 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 |
|---|---|---|---|---|
| City of Escondido | 17,000 | 62.4% | 29,100 | 53,963 |
| City of San Marcos | 208 | 0.8% | 964 | 1,575 |
| City of San Diego | 37 | 0.14% | 2 | 3 |
| County of San Diego | 9,960 | 36.6% | 5,866 | 9,575 |
| **Totals** | **27,205** | **100%** | **35,932** | **65,115** |

Total assessed value (land and structure) of the Rincon del Diablo MWD jurisdictional boundary is set at $14.182 billion as of April 2019. This amount translates to a per acre value ratio of $394,699. It also represents a per capita value of $107,381 based on the estimated service population of 132,076. As a pre-Proposition 13 agency, Rincon del Diablo MWD receives 0.69% of the 1.0% in property taxes collected.

[21] The number of registered voters for the territories within Rincon del Diablo MWD and overlapped by the Cities of San Marcos, San Diego, and the County of San Diego are estimated by LAFCO based on the average number of voters per parcel in Escondido and equitably distributed among the other jurisdictions.

The jurisdictional boundary is currently divided into 35,932 legal parcels and totals 24,341 acres excluding roads, rights-of-way, and water bodies. Close to nine-tenths – or 88% – of private parcels are showing development or improvements, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is entirely undeveloped and consists of 4,108 vacant parcels that collectively total 4,676 acres. Less than one percent of the jurisdictional boundary qualifies as a disadvantaged unincorporated community.

Close to 99% of the jurisdictional boundary is under private ownership, and of this amount approximately 88% has been developed with some type of improvement.

## 3.2 Sphere of Influence

Rincon del Diablo MWD's sphere was established by LAFCO in April 1985. The sphere presently spans 43.98 square miles or 28,144 acres. This includes approximately 939 acres of non-jurisdictional acres, which if annexed to Rincon del Diablo MWD would increase the physical size of District by 3.3%. No jurisdictional lands lie outside the sphere. LAFCO most recently updated the sphere in August 2007. The most recent amendment to the sphere is summarized in the accompanying footnote.[22]

Rincon del Diablo MWD's sphere is 3.3% larger than the jurisdictional boundary and includes 939 non-jurisdictional acres. This sphere applies to the District's water and fire protection services

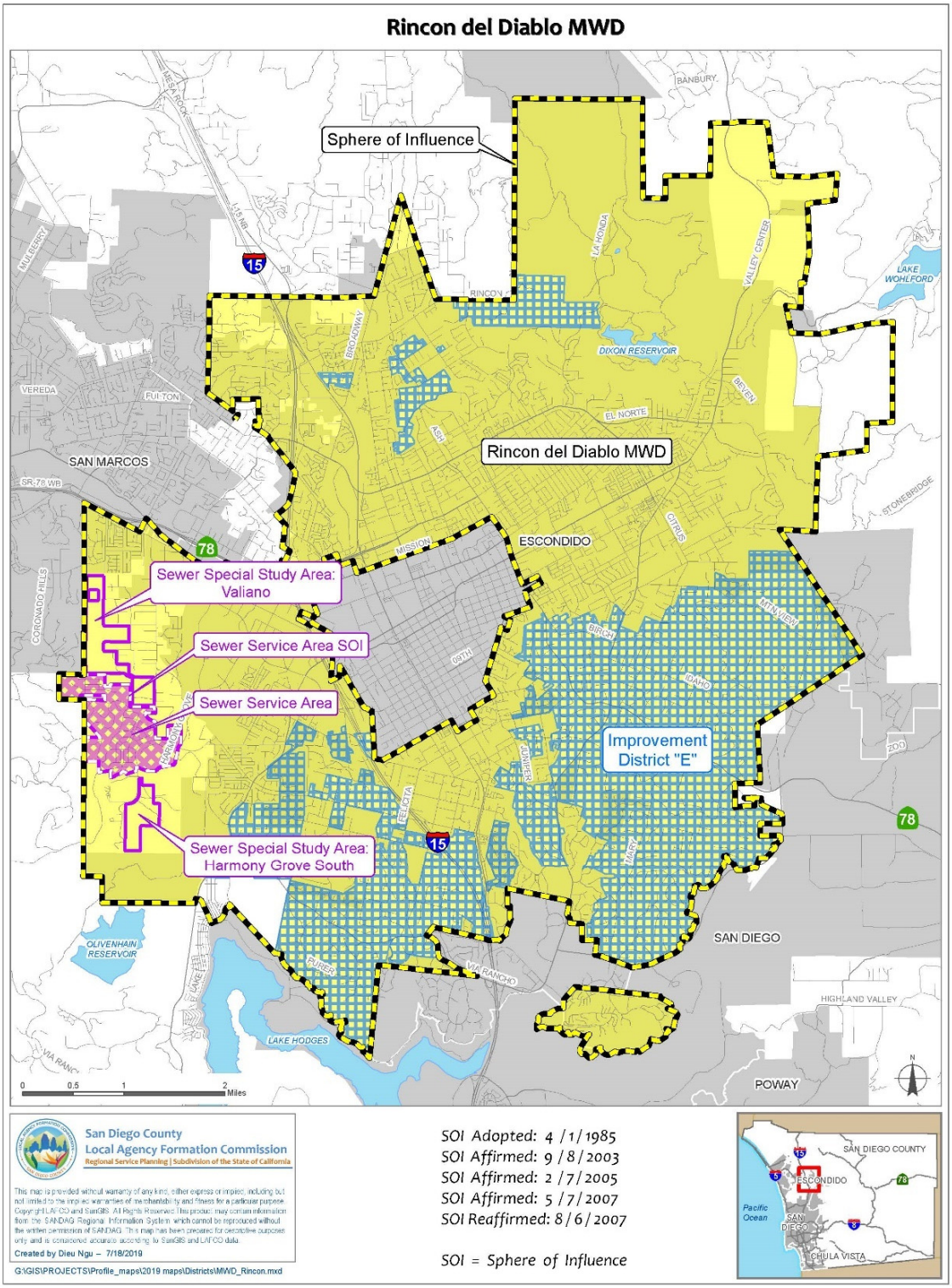
In June 2018, LAFCO established a second and service-specific sphere for Rincon del Diablo MWD involving wastewater. The establishment was made in conjunction with activating Rincon del Diablo MWD's latent wastewater power (collection, treatment, and disposal) in step with assuming service responsibilities for the Harmony Grove Village development. The service-specific sphere is coterminous with the activated latent power area. LAFCO also established two special study areas to the service-specific sphere as detailed in the accompanying footnote.[23]

LAFCO established a wastewater-specific sphere for Rincon del Diablo MWD in June 2018. This secondary sphere is coterminous to the activated wastewater service area consisting of the Harmony Grove Village development.

[22] LAFCO amended the Rincon del Diablo MWD sphere most recently in August 2014 to add 39± acres as part of a concurrent reorganization. The area was previously in Vallecitos Water District's sphere.

[23] The establishment of two special study areas for the wastewater-specific sphere for Rincon del Diablo MWD demarks LAFCO's intention to revisit the merits of officially adding the subject lands in the future. The special study areas cover two proposed residential development projects adjacent to the Harmony Grove Village site and involve recently approved subdivisions by the County of San Diego: Valiano – Eden Hills (TM 5575) and Harmony Grove Village South (TM5600). Both of these residential developments were recently approved by the County and include wastewater service arrangement alternatives that would involve LAFCO approvals with one such option involving potential connection to the Harmony Grove Village system.

## 3.3 Current Boundary and Sphere Map



# 4.0 DEMOGRAPHICS

## 4.1 Population and Housing

It is estimated there are 132,076 current fulltime residents within Rincon del Diablo MWD with more than three-fifths also in the City of Escondido. It is projected the population in the District will increase consistent with recent trends and reach 137,602 by 2023.

The Rincon del Diablo MWD total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 132,076 as of the term of the five-year report period. This amount represents 3.9% of the countywide total with three-fifths of the estimate residing within the City of Escondido. It is also estimated the resident population has risen overall by 8.1% from 122,810 in 2010 and the last census reset; a net change of 9,896. This translates to an annual population change within the jurisdictional boundary of 0.95%, which is nearly even with the countywide trend of 0.94%. It is projected the current growth rate will maintain in the near-term and result in a resident population increasing to 137,602 by 2023.

**Rincon del Diablo MWD | Population Estimates**
Table 4.1a (Source: Esri and San Diego LAFCO)

| Factor | 2010 | 2018 | 2023 (projected) | Annual Change % |
|---|---|---|---|---|
| Rincon del Diablo MWD | 122,810 | 132,076 | 137,602 | 0.95% |
| San Diego County | 3,095,264 | 3,344,136 | 3,499,829 | 0.94% |

Housing production in Rincon del Diablo MWD currently totals 44,260 dwelling units. This includes the addition of 2,431 units since 2010 – or 304 new units each year. The average monthly housing cost in Rincon del Diablo MWD is $1,964, and one-fifth above the countywide average.

There are presently 44,260 residential housing units within Rincon del Diablo MWD's jurisdictional boundary. This amount represents an overall net increase of 2,431 units since 2010 and translates to an average production rate of 303.8 new housing units per year. Further, of the current total, 55.5% are owner-occupied, 40.6% are renter-occupied, and the remaining 3.9% are vacant. The average household size is 3.07 people and has slightly increased by 2.2% from 3.0 over the preceding five-year period.

The mean monthly housing costs have stayed relatively stagnant with an overall change of (0.8%) from $1,979 to $1,964 based on the most recent five-year period averages with the current latter amount well above the countywide cost of $1,578. The latter amount increased by 2.5% during the same timeframe. The housing total is broken down to a jurisdictional average of 1.9 dwelling units per acre, excluding acreage with roads. By 2030, it is estimated the District service area will contain only 400 undeveloped acres.

**Rincon del Diablo MWD | Housing Breakdown**
Table 4.1b (Source: American Community Survey and San Diego LAFCO)

| Jurisdiction | 2010 Housing Units | 2018 Housing Units | Change | 2010 Monthly Housing Cost | 2018 Monthly Housing Cost | Change |
|---|---|---|---|---|---|---|
| Rincon MWD | 41,829 | 44,260 | 5.8% | $1,979.35 | $1,964.26 | (0.76%) |
| San Diego County | 1,164,766 | 1,236,184 | 6.1% | $1,540.00 | $1,578.00 | 2.47% |

## 4.2 Age Distribution

The median age of residents in Rincon del Diablo MWD is 41.2 years based on the current five-year period average. This amount represents an overall decrease of 4.3% from 39.5 over the preceding five-year period average. However, the current median age in Rincon del Diablo MWD remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 also make up over half of the total population at 54.1% and remains higher than the countywide average of 47%.

Residents within Rincon del Diablo MWD tend to be older with a medium age of 41.2 years; an amount that is nearly one-fifth higher than the countywide average of 35.3.

**Rincon del Diablo MWD | 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 |
|---|---|---|---|---|---|---|
| Rincon MWD | 39.5 | 41.2 | 4.3% | 55% | 54.1% | (1.7%) |
| San Diego County | 34.6 | 35.3 | 2% | 53.4% | 47% | (11.9)% |

## 4.3 Income Characteristics

The median household income in Rincon del Diablo MWD is $82,882 based on the current five-year period average. This amount represents an overall increase of 4.9% from the preceding five-year period average of $78,982 and is one-fourth higher than the current countywide median of $66,529. The current average rate of persons living below the poverty level in Rincon del Diablo MWD is 9.6% and more than one-tenth lower than the countywide rate of 14.0%. The share of the population in Rincon del Diablo MWD that works from home has grown by one-third from 6.1% to 8%.

Rincon del Diablo MWD residents' average median household income has experienced a moderate increase in recent years and is currently $88,882. This amount is also one-fourth higher than the countywide median income $66,529.

**Rincon del Diablo MWD | 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 |
|---|---|---|---|---|---|---|
| Rincon MWD | $78,982 | $82,882 | 4.9% | 9.9% | 9.6% | (3.5)% |
| San Diego County | $63,857 | $66,529 | 4.2% | 13% | 14.0% | 7.7% |

## 4.4 Socioeconomic Indicators

Approximately 4.2% of residents within Rincon del Diablo MWD are unemployed based on the current five-year period average and falls below the countywide average 4.9%. The overall amount represents a sizable decrease of more than one-fifth from the previous five-year average of 5.7%. There has also been a marked change in educational levels with rates increasing by 3.4% during the report period and producing a five-year average of 34.1% of residents 25 or older with bachelor degrees. Nearly one-fifth or 20.9% of the population currently collects retirement income. The non-English speaking percentage of the population has separately decreased during this period from 13% to 11.7%; a (10.1%) decrease.

**Rincon del Diablo MWD | 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 |
|---|---|---|---|---|---|---|
| Rincon MWD | 5.7% | 4.2% | (26.6%) | 13% | 11.7% | (10.1)% |
| San Diego County | 5.6% | 4.9% | (12.5%) | 16.1% | 15% | (6.83%) |

# 5.0 ORGANIZATION

## 5.1 Governance

Rincon del Diablo MWD's governance authority is established under the Municipal Water District Act of 1911 and codified under Water Code Sections 11501-1440.5. This principal act empowers Rincon del Diablo MWD to provide a moderate range of municipal services upon approval by LAFCO. Rincon del Diablo MWD is authorized to provide four distinct municipal services: (a) potable water; (b) recycled water; (c) wastewater; and (d) fire protection and emergency medical. Rincon del Diablo MWD is authorized to provide the first three services – potable water, recycled water, and fire protection – throughout its jurisdictional boundary. Wastewater services, however, is limited without additional LAFCO approval to an approximate 425-acre portion of the jurisdictional boundary that comprises the Harmony Grove Village development. All other powers enumerated under the principal act are deemed

latent and would need to be formally activated by LAFCO at a noticed public hearing before Rincon del Diablo MWD would be allowed to exercise these powers. Similarly, should it ever seek to divest an active service, Rincon del Diablo MWD would also need to seek LAFCO approval at a noticed public hearing. A list comparing Rincon del Diablo MWD's active and latent powers follows along with applicable class functions.

| Active Service Powers | Latent Service Powers |
|---|---|
| Potable Water (retail) | Recreation |
| Recycled Water (retail) | Solid Waste/Garbage |
| Wastewater (collection, treatment, disposal) | Storm Drainage |
| Fire Protection and Emergency Medical | Hydroelectric Power |
| | Wind/Solar Power |

Governance of Rincon del Diablo MWD is independently provided by a five-member Board of Directors. Each member of the Board is elected by registered voters within their designated division to a four-year term. The Board includes three appointed officer positions: President; Vice President; and Treasurer. Rincon del Diablo MWD holds regular meetings at 6:00 PM on the fourth Tuesday of each month at its administrative office located at 1920 North Iris Lane in Escondido. Directors receive a $160 per diem for each meeting attended. A current listing of the Board follows.

Board meetings are regularly scheduled on the fourth Tuesday of each month. Board members receive a $160 per diem for their attendance.

**Rincon del Diablo MWD | Current Governing Board Roster**
Table 5.1a (Source: Rincon del Diablo MWD)

| Member | Board Position | Years on the Board | Background |
|---|---|---|---|
| James Murtland | President | 9 | Military, Public Administration |
| Erin Lump | Vice President | 5 | Real Estate |
| Diana Towne | Director | 24 | Legal |
| Gregory Quist | Director | 29 | Technology, Science, Business |
| David Drake | Treasurer | 13 | Engineering, Science, Business |

## 5.2 Administration

Rincon del Diablo MWD appoints an at-will General Manager to oversee all District activities. The current General Manager – Greg Thomas – was appointed in 2013 and oversees a present budgeted staff of 22 fulltime equivalent employees and divided between four departments: (a) administration and finance; (b) conservation; (c) engineering; and (d) operations and maintenance. Legal services are provided to Rincon del Diablo MWD by contract with Redwine and Sherill (Riverside).

**Rincon MWD Administrative Offices**
1920 N Iris Lane, Escondido CA 92026



*Photo Credit: Rincon del Diablo MWD*

# 6.0 MUNICIPAL SERVICES

Rincon del Diablo MWD is authorized to provide four distinct municipal services: (a) potable water; (b) recycled water; (c) wastewater; and (d) fire protection and emergency medical. A summary analysis of these services follows with respect to capacities, demands, and performance during the five-year report period.

## 6.1 Potable Water Service

Rincon del Diablo MWD's potable water services represents the District's principal service function and involves retail only. Service commenced one year following Rincon del Diablo MWD's formation in 1954 in conjunction with establishing the first of two geographically separated service areas. These two distinct service areas are described below. The current combined number of connections served by Rincon del Diablo MWD totals 8,102 with a District-estimated resident population of 29,955.[24]

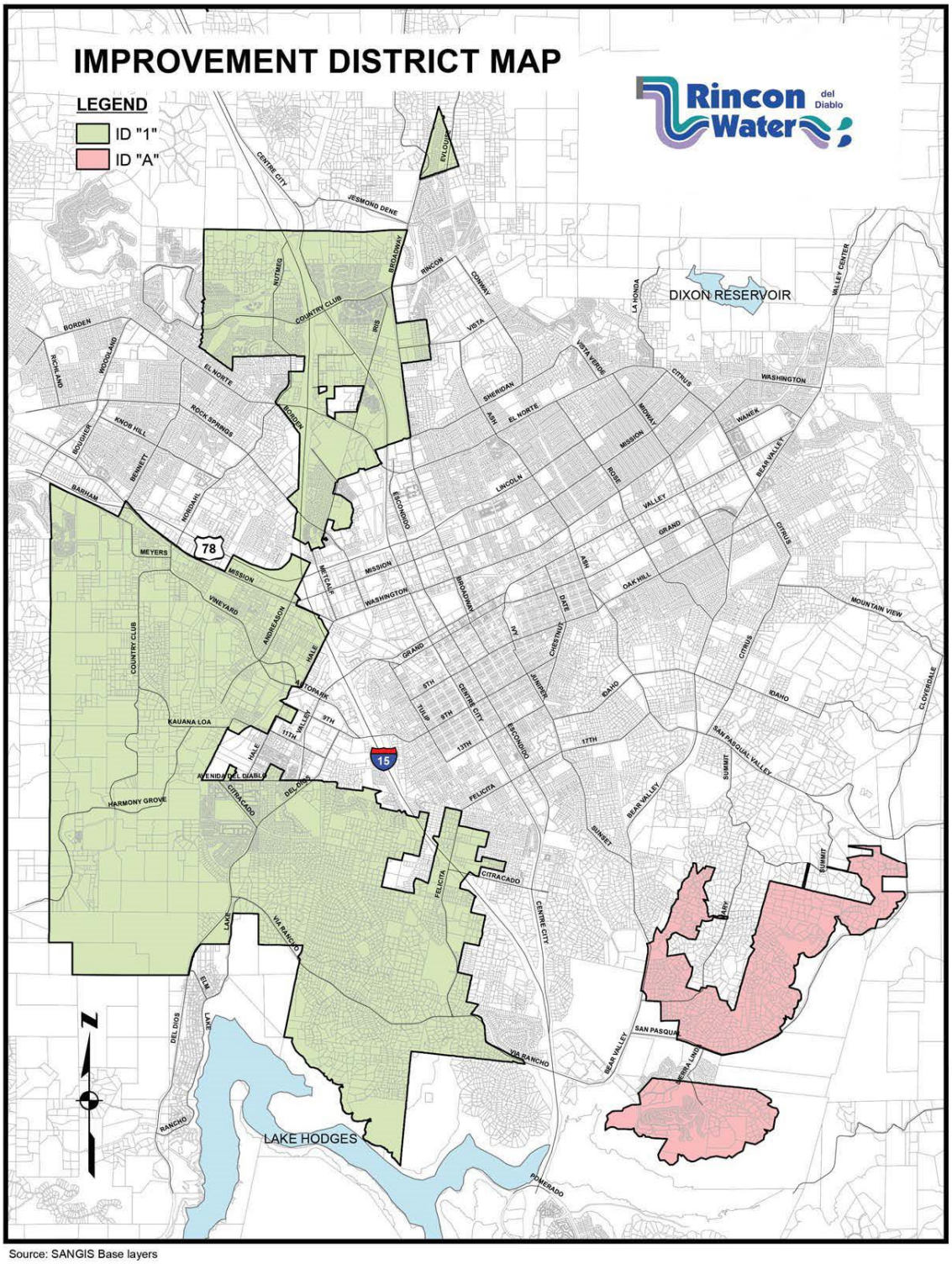
Rincon del Diablo MWD's domestic water system comprises two distinct service areas, ID-1 and ID-A, and collectively serves an estimated resident population of 29,955.

- Rincon del Diablo MWD's initial service area is identified as Improvement District 1 or "ID-1." It comprises an approximate 7,945-acre area along the western side of the jurisdictional boundary and currently comprises close to nine-tenths – or 86.4% – of all District connections. Water supplied to ID-1 is drawn directly from the Water Authority. Notable areas within ID-1 include County Club, Felicita, and Harmony Grove. There are an estimated 27,259 residents' within ID-1.

- Rincon del Diablo MWD's second service area was established in 1962 and identified as Improvement District A or "ID-A." It comprises an approximate 1,210-acre area in the southeastern side of the jurisdictional boundary and serves the remaining one-tenth plus – or 13.6% – of all connections. Water supplied to ID-A is indirectly drawn from the Water Authority through a wheeling agreement with the City of Escondido.[25] Notable areas within ID-A include portions of Bear Valley and San Pasqual Valley. There are an estimated 2,696 residents within ID-A.

[24] The resident population sourced to SANDAG.
[25] The wheeling agreement with the City of Escondido results in Rincon del Diablo MWD customers in ID-A receiving a blend of water supplies that include Lake Henshaw.

## Rincon del Diablo MWD | Domestic Water Service Areas




Source: SANGIS Base layers

## Service Capacities

Rincon del Diablo MWD's agreement with the Water Authority allows the District to purchase an unrestricted amount of pre-treated potable water supplies based on availability. The infrastructure capacities, however, prescribe the maximum potential annual supplies of 50,398.9 acre-feet within ID-1 and 2,239.9 acre-feet within ID-A.

Rincon del Diablo MWD's potable water supplies are entirely drawn from the Water Authority and secured through a 1954 membership agreement. The membership agreement entitles Rincon del Diablo MWD to purchase for subsequent retailing an unrestricted amount of potable water based on availability from the Water Authority, which is a wholesale member of the Metropolitan Water District of Southern California. Rincon del Diablo MWD has direct access to the Water Authority's transmission line to supply ID-1 through two interconnections.[26] Rincon del Diablo MWD separately has a wheeling agreement with the City of Escondido to receive Water Authority supplies for ID-A indirectly through the City's own distribution system.[27] Current pipeline capacities provide the maximum total amount of potable water available to Rincon del Diablo MWD is 45.0 million gallons per day within ID-1 and 2.0 million gallons in ID-A. These latter amounts – if operated at continuous capacity – translates to annual maximum tallies of 50,389.9 and 2,239.9 acre-feet in ID-1 and ID-A, respectively.[28]

**Rincon del Diablo MWD | Available Domestic Water Supplies**
Table 6.1a (Source: Rincon del Diablo MWD | SD LAFCO)

| Service Area | Direct Source | Rated Maximum Daily Capacity | Rated Maximum Annual Capacity |
|---|---|---|---|
| ID-1 | Water Authority | 45.0 million gallons or 138.1 acre feet | 16.425 billion gallons or 50,398.9 acre feet |
| ID-A | City of Escondido | 2.0 million gallons or 6.1 acre-feet | 730.0 million gallons or 2,239.9 acre-feet |
| | TOTAL | 47.0 million gallons or 144.2 acre-feet | 17.155 billion gallons or 52,638.8 acre-feet |

All potable water supplies retailed by Rincon del Diablo MWD and delivered within ID-1 and ID-A are pretreated; the District does not own its own water treatment facilities.[29]

[26] Delivery into ID-1 is provided by two separate connections to the Water Authority's First Aqueduct that collectively have a rated capacity to convey 45.0 million gallons – or 138.1 acre-feet – per day into the service area.
[27] Delivery into ID-A is provided by over three dozen connections to the City of Escondido that collectively have a rated capacity to convey 2.0 million gallons – or 6.1 acre-feet – per day into the service area.
[28] Rincon del Diablo MWD also has emergency interties with Vista Irrigation District and Vallecitos Water District. Rincon del Diablo MWD also provide emergency water supplies to the City of Escondido as needed.
[29] The majority of supplies originating from the Metropolitan Water District of Southern California (Colorado and Sacramento Bay Delta) are blended and pretreated at Metropolitan's Lake Skinner Filtration Facility in Riverside County before conveyance into San Diego County. Supplies wheeled through the City of Escondido are additionally blended with local municipal sources (Lake Henshaw) and also treated at the Vista/Escondido Water Treatment Facility prior to distribution into ID-A.

Treated water enters the ID-1 distribution system from one of two direct connections to the Water Authority's transmission line and supplies six pressure zones.[30] Seven storage tanks with a combined capacity of 21.400 million gallons or 60.7 acre-feet maintain pressure in ID-1.

Rincon del Diablo MWD has 21.4 million gallons – or 65.7 acre-feet – of potable water storage in ID-1 directly supplied by the Water Authority.

Treated water enters the ID-A distribution system from one of 30 connections to the City of Escondido's distribution system. ID-1 consists of a single gravity pressure zone. Three storage tanks with a combined capacity of 4.600 million gallons or 14.1 acre-feet maintain pressure in ID-A.

Rincon del Diablo MWD has 4.6 million gallons – or 14.1 acre-feet – of potable water storage in ID-A directly supplied from the City of Escondido.

**Rincon del Diablo MWD | Domestic Water Storage**
Table 6.1b (Source: Rincon del Diablo MWD)

| Service Area | Name | Zone | Elevation | Capacity |
|---|---|---|---|---|
| ID-1 | R-3A | North | 968 | 3.100 million gallons |
| | R-3B | North | 968 | 2.800 million gallons |
| | R-4 | Rockhoff | 1,218 | 0.600 million gallons |
| | R-1A | South | 918 | 3.100 million gallons |
| | R-1B | South | 918 | 3.700 million gallons |
| | R-5 | South | 885 | 3.000 million gallons |
| | R-6 | South | 918 | 5.100 million gallons |
| | | | Subtotal | 21.400 million gallons |
| ID-A | R-2A | ID-A | 805 | 0.400 million gallons |
| | R-2B | ID-A | 805 | 1.100 million gallons |
| | R-2C | ID-A | 807 | 3.100 million gallons |
| | | | Subtotal | 4.600 million gallons |
| | | | **Total** | **26.000 million gallons or 79.8 acre-feet** |

## Service Demands

Rincon del Diablo MWD's total average annual potable water demand production over the five-year report period within its two service areas (ID-1 and ID-A) has been 1.750 billion gallons or 5,368.8 acre feet. The most recent year-end amount showed total demand at 1.796 billion gallons or 5,513.0 acre-feet and represents an average daily water demand of 4.922 million gallons or 15.1 acre-feet. This

Rincon del Diablo MWD's average annual potable water demand during the five-year report period has been 5,369 acre-feet.

[30] The two main pressure zones – North and South – in ID-A rely on gravity with pump stations lifting water to the renaming four zones – Candlelight Hills, Citricado, Rancho Verde, and Rockhoff – to serve relatively small residential areas at higher elevations. ID-1 also includes emergency interties to the Vista Irrigation District and Vallecitos Municipal Water District.

latter amount is further broken down into equivalents of 608 gallons per day for every service connection and 164 gallons for every estimated fulltime resident based on a projected resident service population of 29,955. The average peak-day demand – the highest one-day sum in a given year – over the report period combined within both service areas has been 10.890 million gallons or 33.4 acre-feet. This latter amount produces an average peaking factor of 2.2 and shows high-demand periods increase usage by double.

With respect to trends, Rincon del Diablo MWD has experienced an overall reduction of (13.9%) in water demands – or (2.8%) annually – over the five-year report period. The overall reduction in water demands over the corresponding 60-month period contrasts with the estimated 4.8% increase in population during the corresponding 60-month period and suggests residents have economized their water usage through various conservation activities. This latter comment is further illustrated in daily per resident use which generally fluctuates according to seasonal irrigation demands and has consistently remained 25 percent below 2013 State benchmarks, meeting the District's SBx7-7 20 percent by 2020 reduction goals. Overall demands and trends follow.

Rincon del Diablo MWD's overall daily potable water demands as measured by per capita use has decreased by 13.9% over the five-year report period from 5.71 million gallons to 4.92 million gallons. This contrast with the growth rate of 4.8% during the report period, and suggest residents are de-intensifying their water uses.

**Rincon del Diablo MWD | ID-1 Only Domestic Water Demands**
Table 6.1c (Source: Rincon del Diablo MWD and SD LAFCO)

| Category | 2014 | 2015 | 2016 | 2017 | 2018 | Average | Trend |
|---|---|---|---|---|---|---|---|
| Annual Total | 1.770 bg<br>5,432.2 af | 1.396 bg<br>4,283.0 af | 1.369 bg<br>4,202.1 af | 1.442 bg<br>4,424.8 af | 1.548 bg<br>4,749.7 af | 1.505 bg<br>4,618.4 af | (12.5%) |
| Average Day Total | 4.850 mg | 3.824 mg | 3.752 mg | 3.951 mg | 4.241 mg | 4.124 mg | (12.5%) |
| … Per Resident | 177.9gpd | 140.3 gpd | 137.6 gpd | 144.9 gpd | 155.6 gpd | 151.6 | (12.5%) |
| Peak Day Total | 10.260 mg | 6.610 mg | 8.000 mg | 9.000 mg | 8.000 mg | 8.374 mg | (22.0%) |
| …. Peaking Factor | 2.1 | 1.7 | 2.1 | 2.3 | 2.0 | 2.0 | (4.8%) |

bg = billion gallons
mg = million gallons
af = acre feet

**Rincon del Diablo MWD | ID-A Only Domestic Water Demands**
Table 6.1d (Source: Rincon del Diablo MWD and SD LAFCO)

| Category | 2014 | 2015 | 2016 | 2017 | 2018 | Average | Trend |
|---|---|---|---|---|---|---|---|
| Annual Total | 316.5 mg<br>971.2 af | 210.5 mg<br>645.9 af | 222.5 mg<br>682.8 af | 224.6 mg<br>689.1 af | 248.7 mg<br>763.3 af | 244.6 mg<br>750.5 af | (21.4%) |
| Average Day Total | 0.867 mg | 0.577 mg | 0.610 mg | 0.615 mg | 0.682 mg | 0.670 mg | (21.4%) |
| … Per Resident | 321.6 gpd | 214 gpd | 226.3 gpd | 228.1 gpd | 253 gpd | 248.6 gpd | (21.4%) |
| Peak Day Total | 2.720 mg | 2.860 mg | 2.000 mg | 2.000 mg | 3.000 mg | 2.516 mg | 10.3% |
| …. Peaking Factor | 3.1 | 5.0 | 3.3 | 3.3 | 4.4 | 3.8 | 41.9% |

bg = billion gallons
mg = million gallons
af = acre feet

## Service Performance

Rincon del Diablo MWD's potable water system is generally operating with sufficient and excess capacity in supply 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 Rincon del Diablo MWD in its Urban Water Management Plan, which was most recently updated in 2016. The lone exception involves excessive peak-demands in ID-A with the report period average exceeding the rated capacity of the interties with the City of Escondido by one-fourth, and as a result creates added dependency on storage supplies to accommodate high usage periods.

The following statements summarize and quantify existing and projected relationships between Rincon del Diablo MWD's capacities and demands now and going forward to 2023. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements all public community 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 Supplies:

- The average annual water production demands generated over the report period for the main service – ID-1 – represents 9.2% of Rincon del Diablo MWD's accessible maximum treated supply through its connections to the Water Authority. The average peak-day demand represents 18.6% of available supply.

- The average annual water production demands generated over the report period for the second service – ID-A – represents 34.4% of Rincon del Diablo MWD's accessible maximum treated supply through its connections to the City of Escondido. The average peak-day demand represents 125.8% of available supply and produces a 25.8% shortfall.

Water Storage:

- Average peak-day water projection demands generated over the report period for ID-1 represents 39.1% of Rincon del Diablo MWD's existing total potable storage capacity for the service area. The total potable storage capacity can accommodate up to 2.5 consecutive days of average peak-day demands generated over the report period for the ID-1 without recharge.

- Average peak-day water projection demands generated over the report period for ID-A represents 54.7% of Rincon del Diablo MWD's existing total potable storage capacity for the service area. The total potable storage capacity can accommodate up to 1.8 consecutive days of average peak-day demands generated over the report period for the ID-A without recharge.

Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows two violations for drinking water standards have been issued to Rincon del Diablo MWD for ID-1 and zero for ID-A since 2000. The last violation was issued in August 2014 and involved a positive coliform in ID-1. All violations were subsequently cleared.

- Rincon del Diablo MWD's most recent water quality report was issued in February 2019 and shows the results of self-monitoring conducted during 2018 for ID-1 and ID-A. 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 for either domestic water system.

Water Rates:

- Rincon del Diablo MWD bills ratepayers for two related charges for domestic water service: (a) operations and (b) usage. The charges were last adjusted in January 2019 and collectively produce an equivalent monthly single-family residential charge of $92.34 based on the household usage of 250 gallons per day.

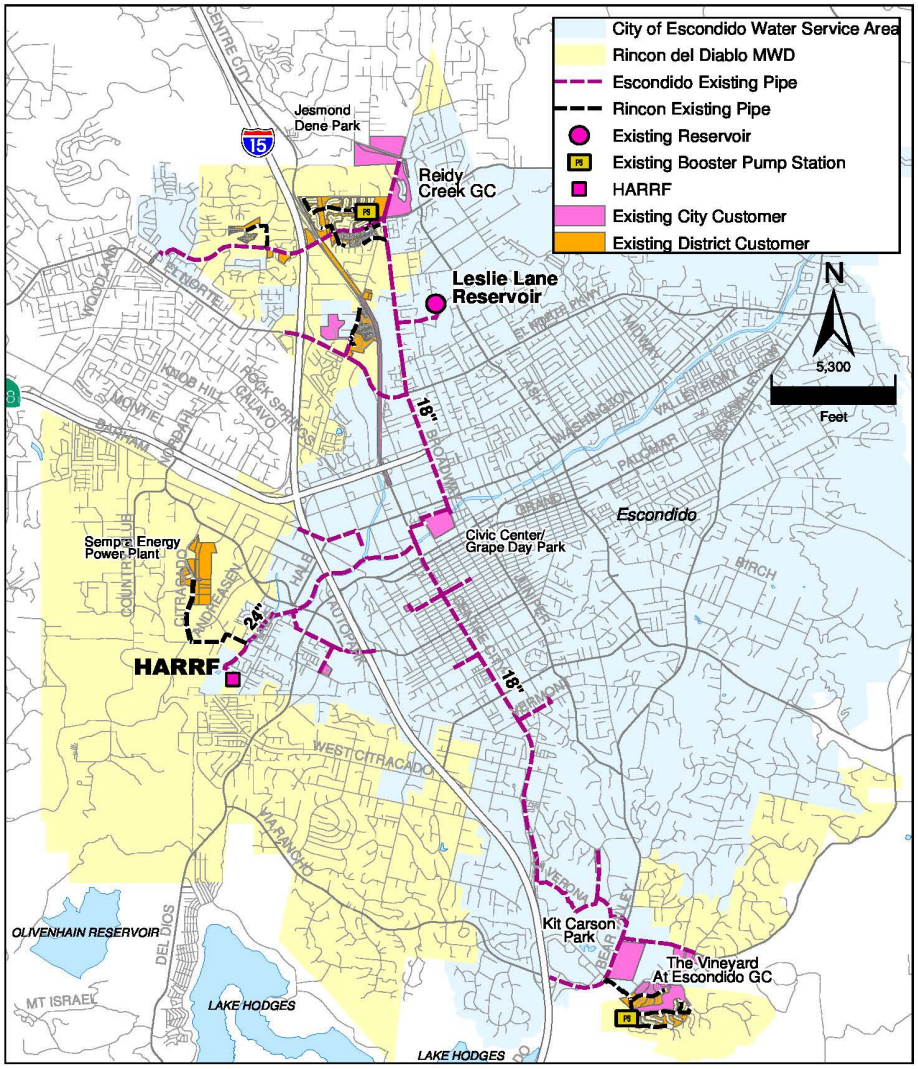
## 6.2 Recycled Water Service (Non Domestic)

Rincon del Diablo MWD's recycled water service operations formally commenced in 2004 and currently involve retailing wholesale supplies purchased from the City of Escondido. Recycled water services are provided at tertiary level within portions of both ID-1 and ID-A and are either direct connections or branch of off the City of Escondido's recycled water distribution system.

Rincon del Diablo MWD's recycled water system comprises internal service areas within ID-1 and ID-A and currently tier off of the City of Escondido's own distribution system.

Rincon del Diablo MWD's recycled water system overall spans 6.7 miles of pipeline and currently serves 115 connections. Most connections serve homeowner associations and commercial businesses – including the Escondido Research and Technology Center – and utilize the recycled water for landscape irrigation and fire suppression. Recycled water is also purposed for industrial use at the Sempra Energy Plant, which presently accounts for more than four-fifths of all usage within Rincon del Diablo MWD.

### Rincon del Diablo MWD | Recycled Water System



## Service Capacities

Rincon del Diablo MWD's agreement with the City of Escondido provides the District on average no less than 0.4000 million gallons – 1.2 acre-feet – of tertiary-level recycled water per day. Rincon del Diablo MWD must purchase no less than 462 acre-feet a year; supplies purchased beyond this amount are based on availability.

Rincon del Diablo MWD's recycled water supplies are entirely drawn at present from the City of Escondido and secured through a 1999 purchase agreement. The agreement provides Rincon del Diablo MWD no less than 0.400 million gallons – or 1.2 acre-feet – of tertiary-level recycled water produced at the City's Hale Avenue Resource Recovery Facility or HARRF.[31] This agreement extends through February 2033 with an option for Rincon del Diablo MWD to extend in 10-year intervals subject to certain conditions. The agreement also specifies Rincon del Diablo MWD must purchase a minimum of 462 acre-feet of recycled water each year.[32] Current pipeline capacities provide the maximum total amount of recycled water available to Rincon del Diablo MWD is estimated at 2.0 million gallons – or 6.1 acre-feet – per day, and translates to an annual maximum of 2,240.0 acre-feet.

Rincon del Diablo MWD anticipates expanding its supply of recycled water in conjunction with its recent activation of its wastewater services and assuming ownership/operation of the Harmony Grove Village Wastewater Treatment Facility (WTF). The Harmony Grove Village WTF is expected to produce up to 0.180 million gallons or 0.6 acre-feet per day of additional tertiary-level recycled water beginning in July 2019.

**Rincon del Diablo MWD | Available Recycled Water Supplies**
Table 6.2a (Source: Rincon del Diablo MWD)

| Service Area | Direct Source | Maximum Daily Capacity | Maximum Annual Capacity |
|---|---|---|---|
| ID-1 and ID-A | City of Escondido | 2.0 million gallons or 6.1 acre feet | 730.0 million gallons or 2,240.0 acre feet |

Rincon del Diablo MWD' is dependent on the City of Escondido's storage facility – Leslie Reservoir – and its 2.0 million gallon capacity to in delivering recycled water in the District.

Rincon del Diablo MWD receives recycled water from the City of Escondido's Hale Avenue Resource Recovery Facility (HARRF) and the Harmony Grove Village Water Reclamation Facility. Recycled water from the HARRF is conveyed along Escondido Creek up to the City's Leslie Lane Reservoir, while recycled water from the HGV WRF remians mostly within the

[31] The agreement specifies the City of Escondido will make available no less than 2.000 million gallons of recycled water during peak-demand periods. (HARRF processes wastewater from the City of Escondido and the Rancho Bernardo area of the City of San Diego. HARRF operates 24 hours a day with a current average day wastewater flow of 15.6 million gallons.)

[32] The agreement specifies the base year cost of one acre-foot of recycled water for Rincon del Diablo MWD is set for the 2001 year at $487 and adjusts each year thereafter based on the consumer price index.

Harmony Grove Village community and is stored in Rincon del Diablo MWD's R-1A reservoir, which also receives water from the HARRF. The City's Leslie Lane has a storage capacity of 2.0 million gallons and Rincon's R1-A reservoir is slightly over 3.0 million gallons. These reservoirs primarily operate independently, however, an automatic control valve between the two systems allow for system interoperability. .

## Service Demands

Rincon del Diablo MWD's average annual recycled water demand during the five-year report period has been 2,819 acre-feet, and represents slightly more than one-half of the corresponding use of portable water within the District.

Rincon del Diablo MWD's total average annual recycled water demand over the five-year report period has been 918.0 million gallons or 2,816.8 acre feet. The most recent year-end amount indicated a total demand at 894.0 million gallons or 2,754.0 acre-feet and represents an average daily recycled water demand of 2.451 million gallons or 7.5 acre-feet. This latter amount – notably – equals 51.1% of the total domestic water demand generated within Rincon del Diablo MWD. More than four-fifths of the most recent year end total involved usage at Sempra's Palomar Energy Center. The average peak-day demand – the highest one-day sum in a given year – over the report period has been 3.9 million gallons or 12 acre-feet.

With respect to trends, Rincon del Diablo MWD has experienced an overall decrease of nearly two-fifths in recycled water demands – or (3.6%) annually – over the five-year report period. This change is more than three-fold less than the corresponding decrease in potable demands of (13.9%) during the 60-month period with the distinction largely attributed to the constant demand for recycled water at the Palomar Energy Center. Overall demands and trends follow.

**Rincon del Diablo MWD | Recycled Water Demands**
Table 6.2b (Source: Rincon del Diablo MWD)

| Category | 2014 | 2015 | 2016 | 2017 | 2018 | Average | Trend |
|---|---|---|---|---|---|---|---|
| Annual Total | 928.2 mg<br>2848.0 af | 1.023 bg<br>3138.0 af | 899.8 mg<br>2761.0 af | 844.7 mg<br>2592.0 af | 894.0 mg<br>2,745.0 af | 918.0 mg<br>2,816.8 af | (3.6%) |
| Average Day Total | 2.543 | 2.802 | 2.465 | 2.314 | 2.451 | 2.515 | (3.6%) |
| Peak Day Total | | | | | | | |
| …. Peaking Factor | | | | | | | |

bg = billion gallons
mg = million gallons
af = acre feet

### Service Performance

Rincon del Diablo MWD's recycled water system is currently operating at capacity with respect to available wholesale supplies from the City of Escondido based on average demands generated during the five-year report period. This capacity constraint is highlighted by annual demand averages equaling 125.8% of the rated capacity of the interties with Escondido. Similarly, the City of Escondido's recycled water storage facility – Leslie Reservoir – can accommodate less than one day of average demand. The addition of recycled water and storage from the Harmony Grove Village WTF will improve – but not eliminate – the current shortfall in daily supplies.

Additional analysis is pending.

## 6.3 Wastewater Service

Rincon del Diablo MWD's wastewater service operations formally commenced in June 2019 in conjunction with LAFCO's approval of the "Harmony Grove Village Reorganization" proposal.[33] The approval involved the activation of Rincon del Diablo MWD's latent wastewater service power and authorization therein to serve (collection, treatment, and disposal) the planned 425-acre Harmony Grove Village development and its 742 residential dwelling units located within the District's western jurisdictional boundary.[34]

### Service Capacities

Rincon del Diablo MWD's Harmony Grove Village WTF is designed to accommodate on average up to 0.180 million gallons for treatment and disposal through the District's recycled water program.

The recent activation of Rincon del Diablo MWD's wastewater services followed a multi-year planning effort between the County of San Diego and Rincon del Diablo MWD. These efforts culminated with Rincon del Diablo MWD agreeing to assume full wastewater responsibilities from the San Diego County Sanitation District and ownership/operation therein of the Harmony Grove Village WTF and associated gravity-based collection system.[35] The subdivision is currently at three-fifths of its planned built-out, and recently warranted activation of the Harmony Grove Village WTF in lieu of continuing to haul collected wastewater to a regional treatment facility for disposal. The Harmony Grove Village WTF

[33] LAFCO approved the Harmony Grove Village Reorganization proposal on June 4, 2018 subject to completion of terms and protest proceedings. The Certification of Completion was recorded with the County of San Diego Clerk-Recorder on June 3, 2019.

[34] LAFCO's approval for Rincon del Diablo MWD to provide wastewater services is limited to the Harmony Grove Village subdivision. Expansion of the wastewater services beyond the subdivision would require additional LAFCO approval.

[35] As part of the establishment of a wastewater-specific sphere of influence for Rincon del Diablo MWD encompassing the Harmony Grove Village subdivision, LAFCO also created two distinct "special study areas." These special study areas comprise two adjacent planned development entitlements by the County of San Diego involving Valiano-Eden Hills and Harmony Grove Village South.

is designed to accommodate an average day flow demand of 0.180 million gallons with 16.0 million gallons of onsite wet-weather storage. The Harmony Grove Village WTF is also designed to convert wastewater into tertiary-level recycled water for use within and outside the planned development.[36]

**Rincon del Diablo MWD | Wastewater Service Capacity**
Table 6.3a (Source: Rincon del Diablo MWD | SD LAFCO)

| Service Area | Facility | Maximum Average Daily Capacity | Maximum Wet-Weather Storage |
|---|---|---|---|
| Harmony Grove Village | Harmony Grove Village WTF | 0.180 million gallons | 16.000 million gallons |

### Service Demands

Rincon del Diablo MWD's wastewater services commenced following the end of the five-year report period. The subsequent municipal service review for the 2023-2027 period will be the first opportunity for LAFCO to document actual demands and related trends.

### Service Performance

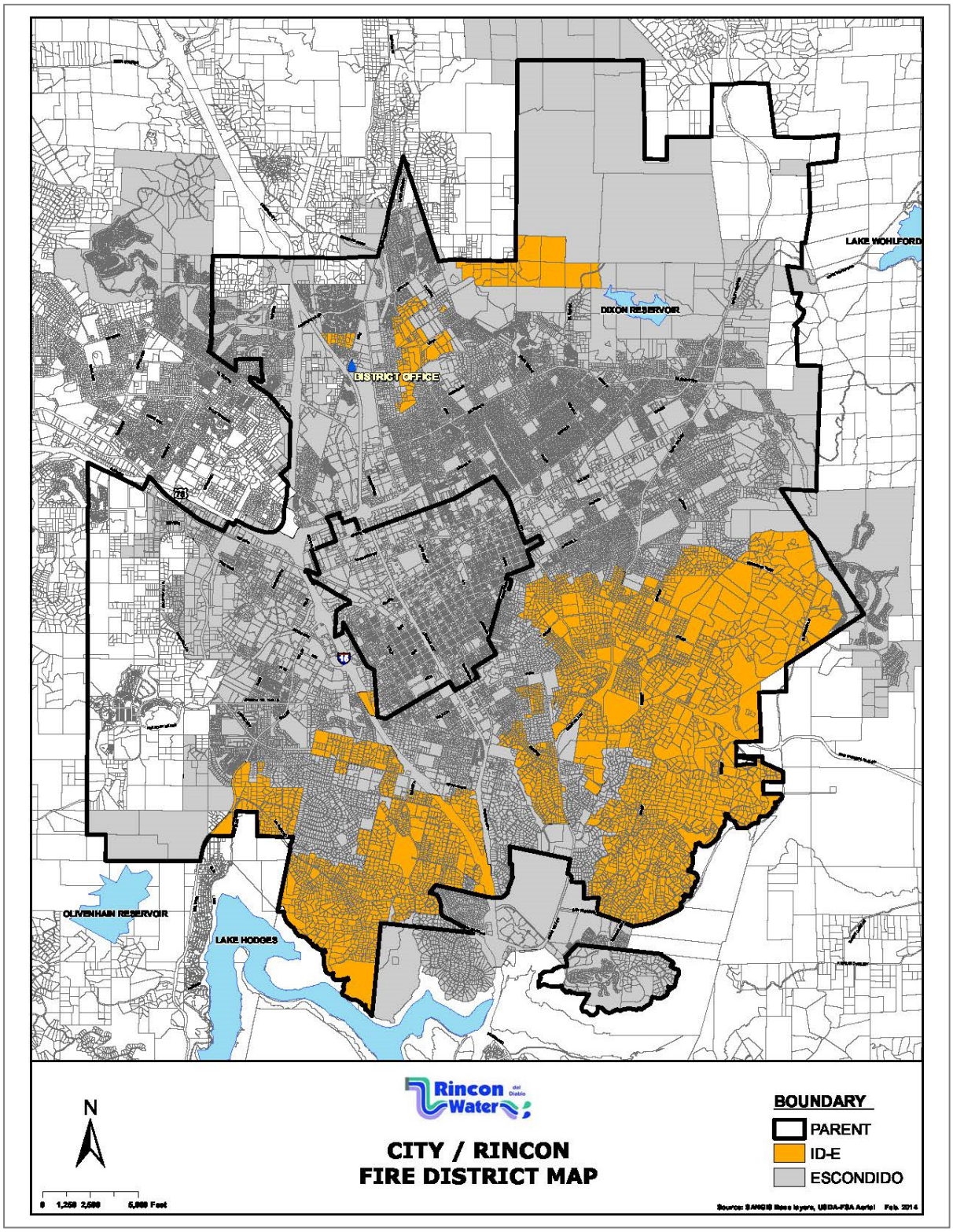
Consistent with the preceding section the next municipal service review for the 2023-2027 period will be the first opportunity for LAFCO to assess actual performance of wastewater services provided by Rincon del Diablo MWD.

## 6.4 Fire Protection and Emergency Medical Services

Rincon del Diablo MWD's fire protection and emergency medical services were established in 1976 and are presently provided within an approximate 9,600-acre area identified as Improvement District E or "ID-E"; an area that represents the unincorporated portion of the District's jurisdictional boundary. Rincon del Diablo MWD's decision to establish fire protection followed the County of San Diego cancelling a service contract with CAL FIRE and leading unincorporated residents to petition the District to assume service responsibilities.[37] Voters confirmed their interest by approving a special assessment to fund the construction of Rincon del Diablo MWD's first fire station in the Felicita Park area and hiring professional firefighters to augment volunteer operations. A second station in San Pasqual Valley was later added in 1983. Rincon Del Diablo MWD directly provided fire protection service within ID-E until 1984 when it initially entered into a contract with the City of Escondido to assume all related service responsibilities within the District. A map of ID-E follows.

[36] Rincon del Diablo MWD also operates a 3.0 million gallon tank to store recycled water.
[37] At the time of the activation proceedings, LAFCO approval was not needed under statute.

## Rincon del Diablo MWD | Fire Protection Service Area



Rincon del Diablo MWD's service agreement with the City of Escondido for fire protection and emergency medical services dates back to 1989. The agreement specifies Escondido shall provide matching levels of service within the City and ID-E as measured by ISO ratings for fire protection and response times for emergency medical in exchange for a designated portion of property taxes collected by the District. The agreement also specifies Escondido shall maintain full control over all related operational activities. Rincon del Diablo MWD maintains adminstrative oversight, and this includes adoting an annual budget. The agreement is permanent unless mutually terminated or at the written request of either Rincon del Dilablo MWD or Escondido with the approval of an arbitration panel.

Rincon del Diablo MWD's fire protection and emergency medical services within ID-E are contractually provided by Escondido at the same levels as the City.

## Service Capacities

The City of Escondido's fire protection and emergency medical services' capacities are primarily dependent on human resources and currently budgeted with 122.6 fulltime equivalent employees with 111 classified as safety personnel or non-safety paramedics and considered "first responders." All first responders are assigned to one of seven fire stations located throughout Escondido that operate continuously with three-person engine crews. Four of the fire stations have rescue ambulances staffed with one firefighter-paramedic and one non-safety paramedic. One fire station has a medic ambulance staffed with two non-safety paramedics. Station No. 1 houses a ladder truck staffed with four safety personnel. The City is also a signatory on multiple auto-aid agreements with surrounding agencies – including the City of San Diego – to provide cross-boundary coverage as needed. Two of the City's stations are located within and/or immediately adjacent to ID-E and are No. 4 (Bear Valley Parkway) and No. 5 (Felicita Road); both of which are assigned with three engine staff shifts. Station No.5 has a rescue ambulance. Additional capacity details – including staffing trends over the five-year report period – will be addressed as part of a parallel review of the City.

## Service Demands

Overall service demands for fire protection and emergency medical within Rincon del Diablo MWD's ID-E during the five-year report period have averaged 581 dispatched calls annually or 1.6 daily. This average represents 3.8% of the overall dispatch calls transacted by the City of Escondido during the report period. The most recent year-end total was 602. Dispatched service calls have increased in each of the five years and overall have risen by one-fifth – or 21.3% – during the corresponding 60-month period. Additional demand

details – including priority calls and onsite incidents within ID-E – will be addressed as part of a parallel review of the City.

### Service Performance

The City of Escondido reports overall onsite responses for all priority calls within its jurisdiction including the City and Rincon del Diablo MWD's ID-E have been within seven and one-half (7½) minutes no less than 90% of the time during the five-year report period. This response time for priority calls meet Escondido's adopted policy goal for urbanized areas. Much of Rincon del Diablo MWD's ID-E is rural in nature with longer travel times. Additional performance details – including response time breakdowns within ID-E – will be addressed as part of a parallel review of the City.

## 7.0 FINANCES

### 7.1 Financial Statements

Rincon del Diablo MWD contracts with an outside accounting consultant to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes auditing Rincon del Diablo MWD statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Rincon del Diablo MWD short and long-term fiscal health with specific focus on delivering its activated services. The current outside consultant is White Nelson Diehl Evans LLP (Carlsbad).

| Most Recent Year-Ending Financial Statements (2017-2018) | |
|---|---|
| Assets | 79,433,153 |
| Liabilities | 20,831,220 |
| Outflow/Inflow | 574,894 |
| Net Position | $59,472,104 |

Rincon del Diablo MWD's most recent audited financial statements for the five-year report period were issued for 2017-2018.[38] These audited statements show Rincon del Diablo MWD experienced a positive change over the prior fiscal year as its overall net position (regular accrual basis) for all fund activities increased by 2.6% from $57.941 to $59.472 million and primarily attributed to an increase in current assets. The accompanying auditor's report did not identify any 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.

[38] The audit for 2017-2018 was issued by White Nelson Diehl Evans LLP on November 7, 2018.

## Agency Assets

Rincon del Diablo MWD's assets have increased by nearly one-half during the report period. The increase is primarily attributed to year-end surpluses and rise in cash and investments from $16.7 to $30.8 million over the 60 month period.

Rincon MWD's audited assets at the end of 2017-2018 totaled $79.434 million and finished 19.3% higher than the average year-end amount of $66.541 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented just over one-half of the total amount – or $40.957 million – with over 75% tied to cash and investments. Assets classified as non-current and not readily liquid make up the remainder of the total – or $38.476 million – and entirely tied to capital infrastructure with almost 90% associated with the water system's transmission and distribution lines. Overall assets for Rincon del Diablo MWD have increased by 46.5% over the corresponding 60-month period.

**Rincon del Diablo MWD | Audited Assets**
Table 7.1a | Source: Rincon del Diablo MWD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Current | $19,142,567 | $26,107,458 | $26,119,384 | $37,782,532 | $40,957,108 | 114.0% | $30,021,108 |
| Non-Current | $35,084,690 | $35,369,739 | $36,689,106 | $36,800,246 | $38,476,045 | 9.7% | $36,519,965 |
| Total | $54,227,257 | $61,477,197 | $62,988,490 | $74,582,778 | $79,433,153 | 46.5% | $66,541,775 |

## Agency Liabilities

Rincon del Diablo MWD's liabilities overall have increased by more than seven-fold during the report period. This overall increase is largely attributed to Rincon del Diablo MWD assuming $10.1 million in long-term debt in 2016 associated with making improvements to the water system.

Rincon MWD's audited liabilities at the end of 2017-2018 totaled $20.831 million and finished 77.3% higher than the average year-end amount of $11.746 million documented during the five-year report period. Liabilities classified as current and representing obligations owed within the year accounted for slightly less than one-third of the total with the majority tied to customer installment contracts. Liabilities classified as non-current and considered long-term debts make up the remaining two-thirds amount with the largest obligation tied to debt service payments.[39] Overall liabilities for Rincon del Diablo MWD have increased by 725.1% over the corresponding 60-month period and largely tied to capital construction.

[39] Rincon del Diablo MWD's debt service involves the 2016 financing of a $10.068 million improvement to its water system. The debt is secured through Pinnacle Public Finance, Inc. and necessitates a $0.796 million annual payment through 2033.

**Rincon del Diablo MWD | Audited Liabilities**
Table 7.1b | Source: Rincon del Diablo MWD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Current | $2,524,680 | $7,033,715 | $6,158,474 | $3,928,991 | $6,076,708 | 140.7% | $5,144,514 |
| Non-Current | - | $2,526,421 | $2,771,813 | $12,955,735 | $14,754,512 | 484.0% | $6,601,696 |
| Total | $2,524,680 | $9,560,136 | $8,930,287 | $16,884,726 | $20,831,220 | 725.1% | $11,746,210 |

Note:
Average and trend for non-current liabilities reflect only a 48-month period.

## Net Position

Rincon del Diablo MWD's net position has steadily increased during the report period with an overall change of 15.0% from $51.7 million to $59.4 million; an amount that includes now booking for pension obligations.

Rincon del Diablo MWD's audited net position or equity at the end of 2017-2018 totaled $59.472 million and represents the difference between the District'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 8.6% higher than the average year-end sum of $54.770 million documented during the five-year report period. Three-fifths of the ending net position – or $35.5 million – is tied to capital assets. Overall the net position has increased by 15.0% over the corresponding 60-month period and without adjusting for new pension and benefit reporting requirements. Adjusting to exclude pension obligations the overall increase in Rincon del Diablo MWD's net position has been 26.8%.

**Rincon del Diablo MWD | Audited Net Position**
Table 7.1c | Source: Rincon del Diablo MWD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend | Average |
|---|---|---|---|---|---|---|---|
| Invested in Capital | $34,972,120 | $35,369,739 | $36,869,106 | $36,074,771 | $35,539,689 | 1.6% | $35,765,085 |
| Restricted | - | - | - | $725,475 | $990,730 | 36.6% | $858,103 |
| Unrestricted | $16,730,457 | $15,801,749 | $16,695,045 | $21,141,185 | $22,941,685 | 37.1% | $18,662,024 |
| Total | $51,702,577 | $51,171,488 | $53,564,151 | $57,941,431 | $59,472,104 | 15.0% | $54,770,350 |

Note:
Average and trend for restricted fund reflect only the last 24-month period.

The unrestricted portion of Rincon del Diablo MWD's net position has increased by over one-third over the report period and finished 2017-2018 with a balance equal to cover 15 months of operating expenses.

Rincon del Diablo MWD maintains two distinct funds – general government (public safety) and enterprise (water) – underlying the net position.[40] The unrestricted portion of the net position as of the last audited fiscal year totaled $22.941 million and represents the accrued spendable portion of the fund balance subject to discretionary designations. This unrestricted

[40] Rincon del Diablo MWD's wastewater services did not become officially activated until June 3, 2019 and after the most recent audit report covering 2017-2018 was prepared.

amount represents 15 months of operating expenses and increases to 20 months when adjusted to exclude booked pension and benefit liabilities based on actual expenses in 2017-2018.

## 7.2 Measurements | Liquidity, Capital, and Margin

Standard measurements used to assess Rincon del Diablo MWD's liquidity, margin, and structure levels show positive trends and ending positions over the five-year report period. Capital levels have reduced with the increase in debt, but nonetheless remain relatively low.

A review of the audited financial statement issuances by Rincon del Diablo MWD covering the five-year report period shows the District generally experienced positive financial changes in the four measured categories – liquidity, capital, margin, and structure – utilized in this document. This includes posting positive total and operation margins in all five fiscal years, which contributed to parallel improvements in days' cash (liquidity), operating reserves (structure), and equipment replacement (structure). Debt levels were the lone notable exception and marked by increases in both the debt ratio (capital) and debt-to-net position (capital), albeit with both still finishing the period well below the 50% threshold standard for public utilities identified by LAFCO. A summary of liquidity, capital, margin, and structure ratio trends follow.

**Rincon del Diablo MWD**
**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 |
|---|---|---|---|---|---|---|---|---|
| 2013-2014 | 7.6 to 1 | 453.6 | 4.6% | 0.0% | 9.2% | 2.5% | 112.3% | 18.4 |
| 2014-2015 | 3.7 to 1 | 609.8 | 17.2% | 7.0% | 14.4% | 6.8% | 98.6% | 17.0 |
| 2015-2016 | 4.2 to 1 | 609.0 | 15.4% | 6.7% | 11.9% | 1.1% | 108.1% | 21.3 |
| 2016-2017 | 9.6 to 1 | 614.6 | 23.2% | 23.5% | 20.5% | 3.2% | 126.2% | 22.3 |
| 2017-2018 | 6.7 to 1 | 716.4 | 26.5% | 25.8% | 23.7% | 17.8% | 129.1% | 16.2 |
| Average | 6.4 to 1 | 600.7 | 17.4% | 12.6% | 16.6% | 7.1% | 115.4% | 18.8 |
| Trend | (11.1%) | 57.9% | 468.5% | 270.6% | 156.9% | 616.2% | 15.0% | (12.2%) |

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.

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

Rincon del Diablo MWD 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 three category types: "public safety"; "classic"; and "non-classic." Additional details of the pension program based on actuarial valuations issued by CalPERS during the five-year report period with respect to formulas, enrollees, contributions, and funded status follows.

### Pension Formulas and Enrollees

The last annual valuation issued during the five-year report period followed 2016-2017 and identified 67 total participants within Rincon del Diablo MWD's pension program. This total represents an overall decrease of one during the corresponding 48 month period. The total is also divided between enrollee type (i.e., active, separated, transferred, retired) and produces a current positive worker-to-retiree ratio of 1.2 to 1. A summary of benefits for all three category types follow.

Rincon de Diablo MWD provides one of three types of defined pension benefits. Most employees qualify for "classic" pension benefits with start dates before January 1, 2013 and involves a 2.0 @ 55 formula. Other employees hired after January 1, 2013 qualify as "non-classic" and involves a 2.0 @ 62 formula. The third type is for "public safety" and involves a 2.0 @ 50 formula.

- Classic miscellaneous employees have start dates before January 1, 2013 and represent 77.6% – or 52 – of the total enrollees. These employees receive a defined benefit based on a 2.0% at 55 formula. This formal provides eligible retirees with 20 years of total service credit 40% of their highest one year of salary each year beginning at age 55.

- Non-classic miscellaneous employees have start dates after January 1, 2013 and represent 7.4% - or five – of the total enrollee. These employees receive a defined benefit based on a 2.0% at 62 pension formula. This formal provides eligible retirees with 20 years of total service credit 40% of their highest annual salary based on a three-year average each year beginning at age 62.

- Public safety employees account for the remaining 14.9% – or 10 – of the total enrollees and receive a 2.0% at 50 pension formula. This formal provides eligible retirees with 20 years of total service credit 40% of their highest one year of salary each year beginning at age 50.[41]

[41] Of the 10 public safety employees one is listed as active and the other nine as non-active or retired.

**Rincon del Diablo MWD | Pension Enrollee Information**
Table 7.3a | Source: CalPERS

| Type | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
|---|---|---|---|---|---|
| Active | 39.0 | 38.0 | 34.0 | 36.0 | n/a |
| Non Active (Retired) | 29.0 | 30.0 | 33.0 | 31.0 | n/a |
| **Total Enrollees** | **68.0** | **68.0** | **67.0** | **67.0** | **n/a** |
| **Worker-to-Retiree Ratio** | **1.34 to 1** | **1.27 to 1** | **1.03 to 1** | **1.16 to 1** | **n/a** |

## Annual Contributions

Rincon del Diablo MWD's total annual pension contribution in the most recent valuation issued during the five-year report period in 2016-2017 tallied $0.164 million. This contribution equals 14.0% of the corresponding payroll total for Rincon del Diablo and has increased by 16.0% during the corresponding 48-month period. This increase is more than two-fold greater than the corresponding inflation rate for the San Diego region for the period.[42]

Rincon del Diablo MWD's pension contribution as of the last annual valuation equaled 14% of payroll and overall has increased by 16% during the corresponding 48-month period.

**Rincon del Diablo MWD | Annual Pension Contributions**
Table 7.3b | Source: Rincon del Diablo MWD

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trend |
|---|---|---|---|---|---|---|
| Total Amount | 260,589 | 278,061 | 246,264 | 164,323 | n/a | (36.9%) |
| Percent of Payroll | 12.1% | 16.4% | 16.6% | 14.0% | n/a | 16.0% |

## Funding Status

Rincon del Diablo MWD's total and composite unfunded liability in the most recent valuation issued during the five-year report period totaled $16.192 million (2016-2017). This amount reflects the accrued monies owned and not covered by assets and translates to a composite funded ratio of 75.3% based on market value. Overall Rincon del Diablo MWD's funded ratio has decreased by (11.3%) during the report period and underlies a corresponding increase of more than four-fifths in the total net unfunded liability.

Rincon del Diablo MWD's combined funded ratio as of the last annual valuation is 75.3%. This ratio has decreased overall by (11.3%) during the corresponding 48 month period.

[42] The consumer price index for the San Diego region increased by 6.7% between 2014 and 2017 according to the United States Department of Labor Bureau of Labor Statistics.

## Rincon del Diablo MWD | Pension Funding Status

Table 7.3c | Source: CalPERS

| Category | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | Trends |
|---|---|---|---|---|---|---|
| Pension Assets | 12,289,667 | 12,089,438 | 11,549,054 | 12,188,326 | n/a | (0.8%) |
| Pension Liabilities | 14,486,415 | 15,031,352 | 15,558,510 | 16,192,769 | n/a | (11.8%) |
| Unfunded Liability | 2,196,748 | 2,941,914 | 4,009,456 | 4,004,443 | n/a | 82.9% |
| Funded Ratio | 84.8% | 80.4% | 74.2% | 75.3% | n/a | (11.3%) |

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