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

5e

AGENDA REPORT
Consent | Information

June 15, 2026

TO: Chair Becker and Commissioners

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

SUBJECT: **Notice of New Professional Services Agreement with RSG, Inc. | Governance Study on the Oceanside Small Craft Harbor District**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive notice of a new professional services agreement executed by the Executive Officer with RSG, Inc. to support the Commission's scheduled governance study on the Oceanside Small Craft Harbor District. The two-phase agreement commits RSG to provide technical analysis (financial evaluation and enterprise fund tracking) and community engagement (soliciting and evaluating current and future needs), and to prepare a written study presenting and evaluating the available options. Recommendations on which options to pursue will be developed by LAFCO staff for the Commission's consideration. The agreement advances the Commission's adopted workplan and authorizes consultant services in an amount not to exceed $70,000, funded through Commission resources and a $30,000 grant from the County of San Diego, the latter noticed separately as Agenda Item No. 5f. The Executive Officer selected RSG and executed the agreement under the Commission's procurement delegation authority, based on the unanimous recommendation of the working group convened by LAFCO staff and comprising community stakeholders (slip users and harbor retailers) and City of Oceanside officials. As set by the Commission, the study will evaluate the District's finances in greater depth than the recent municipal service review and assess the current governance structure and potential options relative to community needs. This item is provided for information only.

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BACKGROUND

The scheduled governance study on the Oceanside Small Craft Harbor District is a high-priority item (No. 10) in the Commission's newly adopted 2026-2027 workplan – elevated from the mid-tier ranking (High-Medium, No. 15) it holds in the current 2025-2026 workplan. Placement of the project ties to the recently completed municipal service review on the Oceanside region and involves focusing on the District's financial resources and related commitments in covering baseline service conditions as well as potential adjustments based on stakeholder input. This assessment of financial capacity relative to current and prospective service arrangements will directly inform the evaluation of potential governance alternatives. A key part of the study is considering potential changes to the District's service functions. Work this fiscal year sets the basis for upcoming work – specifically staff has convened a stakeholder working group of slip users, harbor retailers, and City of Oceanside representatives, held several meetings to build consensus on the scope of work, and most recently solicited, vetted, and interviewed consultants, and selected RSG, Inc. to lead the preparation of the study.

DISCUSSION

This item provides notice of a recently executed professional services agreement between San Diego LAFCO via the Executive Officer's delegated procurement authority and RSG, Inc. to assist with preparation of the calendared governance study on the Oceanside Small Craft Harbor District. The agreement formally commenced April 2026 and is anticipated to conclude by April 2027. Consultant compensation is limited to a not-to-exceed amount of $70,000. Project funding is anticipated to consist of $40,000 from budget resources and $30,000 from a grant awarded by the County of San Diego, as further discussed under Agenda Item No. 5f. The agreement is divided into two distinct phases as described below.

- Phase I focuses on stakeholder outreach, issue identification, and development of a detailed workplan to guide the study. This initial phase is intended to ensure broad stakeholder participation, establish a clear understanding of key issues, and refine the analytical framework before substantive evaluation begins.

- Phase II will involve a comprehensive assessment of the Harbor District's finances, operations, governance structure, and organizational effectiveness, culminating in the identification and evaluation of potential governance alternatives.

The agreement is provided as Attachment One.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only, reflecting the Commission's interest in keeping its members and the public informed of new professional services agreements executed under the Executive Officer's procurement delegation authority.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) Professional Services Agreement: RSG, Inc.

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PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTANT SERVICES
(San Diego County Local Agency Formation Commission / RSG, Inc.)

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between San Diego County Local Agency Formation Commission, a California public agency, corporate and politic ("Commission"), and RSG, Inc., a California corporation ("Consultant").

2. RECITALS

2.1. Commission has determined that it requires the following professional services from a consultant: Developing a detailed workplan for a comprehensive governance and financial study of the Oceanside Small Craft Harbor District.

2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

2.3. Consultant represents that it has no known relationships with third parties, Commissioners, or employees of the Commission which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, the Commission and Consultant agree as follows:

3. DEFINITIONS

3.1. "Scope of Services": Such professional services as are set forth in Consultant's March 23, 2026 proposal to the Commission attached hereto as Exhibit A and incorporated herein by this reference.

3.2. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached as the last page to Exhibit A and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.3. "Maximum Amount": The highest total compensation and costs payable to Consultant by Commission under this Agreement. The Maximum Amount under this Agreement is Seventy Thousand Dollars ($70,000).

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3.4. "Commencement Date": April 15, 2026.

3.5. "Termination Date": April 15, 2027.

3.6. "Commission Agreement Administrator" means Priscilla Mumpower, Assistant Executive Officer.

3.7. "Consultant Project Administrator" means Jim Simon, Principal.

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 15 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by Commission in writing and incorporated in written amendments to this Agreement.

5. CONSULTANT'S DUTIES

5.1. **Services**. Consultant shall perform the services identified in the Scope of Services. Commission shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2. **Coordination with Commission**. In performing services under this Agreement, Consultant shall coordinate all contact with Commission through its Agreement Administrator.

5.3. **Budgetary Notification**. Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.

5.4. **Business License.** Consultant shall obtain and maintain in force a Commission business license for the duration of this Agreement.

5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to Commission. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).

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5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, Commission may consent in writing to Consultant's performance of such work.

5.7. **Campaign Contributions.** This Agreement is subject to Government Code Section 84308. Consultant shall disclose any contribution in an amount of more than five hundred dollars ($500) made within the preceding 12 months by the Consultant or the Consultant's agent to a Commission Officer or his or her committee. In the case of a contribution, Consultant shall request and provide a signed copy of the Campaign Contribution Disclosure Form to the Commission prior to, or concurrent with, the Consultant's execution of this Agreement.

5.8. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. No change shall be made in Consultant's project administrator without Commission's prior written consent.

5.9. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the Commission that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of Commission. If Commission and Consultant cannot agree as to the substitution of key personnel, Commission may terminate this Agreement for cause.

5.10. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

5.11. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.

5.12. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Commission under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Commission. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended

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under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of Commission or as part of any audit of Commission, for a period of three (3) years after final payment under this Agreement.

5.13. **Skilled and Trained Workforce Requirement.** When the use of a skilled and trained workforce is required to complete a contract pursuant to existing law, this contract is subject to such requirement and Consultant agrees to use a skilled and trained workforce.

5.14. **Conflict of Interest Disclosure**. Pursuant to Government Code Section 1097.6, subdivision (c)(1), "[The] [C]onsultant's duties and services under this agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. [C]onsultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. [C]onsultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by [Consultant] pursuant to this agreement."

6. SUBCONTRACTING

6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

6.2. **Consultant Responsible.** Consultant shall be responsible to Commission for all services to be performed under this Agreement.

6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.

6.4. **Compensation for Subcontractors.** Commission shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. Commission shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

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7. COMPENSATION

7.1. **General.** Commission agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by Commission in advance.

7.2. **Invoices.** Consultant shall submit to Commission an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the Maximum Amount, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

7.3. **Taxes.** Commission shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.

7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the Commission through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the Commission.

7.6. **Commission Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until Commission is satisfied that the services are satisfactory.

7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 10, Commission shall have the right to withhold payments under this Agreement to offset that amount.

8. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material, and all electronic files, including computer-aided design files, developed by Consultant in the performance of this Agreement (such written material and electronic files are collectively known as "written products") shall be and remain the property of Commission without restriction or limitation upon its use or dissemination by Commission except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

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9. RELATIONSHIP OF PARTIES

9.1. General. Consultant is, and shall at all times remain as to Commission, a wholly independent contractor.

9.2. No Agent Authority. Consultant shall have no power to incur any debt, obligation, or liability on behalf of Commission or otherwise to act on behalf of Commission as an agent. Neither Commission nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of Commission.

9.3. Independent Contractor Status. Under no circumstances shall Consultant or its employees look to the Commission as an employer. Consultant shall not be entitled to any benefits. Commission makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.

9.4. **Indemnification of CalPERS Determination.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the Commission, Consultant shall indemnify, defend, and hold harmless Commission for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Commission.

10. INDEMNIFICATION

10.1. **Definitions.** For purposes of this Section 10 , "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "Commission" shall include Commission, its officers, agents, employees and volunteers.

10.2. **Consultant to Indemnify Commission.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend Commission from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.

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10.3. **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify Commission for such loss or damage as is caused by the sole active negligence or willful misconduct of the Commission.

10.4. **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of Commission's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

10.5. **Defense Deposit.** The Commission may request a deposit for defense costs from Consultant with respect to a claim. If the Commission requests a defense deposit, Consultant shall provide it within 15 days of the request.

10.6. **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 10 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to Commission.

10.7. **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 10 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.

10.8. **Insurance Not a Substitute.** Commission does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

11. INSURANCE

11.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the Commission shall not relieve or decrease any liability of Consultant Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

11.2. **Documentation of Insurance.** Commission will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with Commission:

- Certificate of Insurance, indicating companies acceptable to Commission, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: District Governance Study

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- Documentation of Best's rating acceptable to the Commission.
- Original endorsements effecting coverage for all policies required by this Agreement.
- Complete, certified copies of all required insurance policies, including endorsements affecting the coverage.

11.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

• Professional Liability Insurance:	$1,000,000 per occurrence, $2,000,000 aggregate
• General Liability:	
• General Aggregate:	$2,000,000
• Products Comp/Op Aggregate	$2,000,000
• Personal & Advertising Injury	$1,000,000
• Each Occurrence	$1,000,000
• Fire Damage (any one fire)	$ 50,000
• Medical Expense (any 1 person)	$ 5,000
• Workers' Compensation:	
• Workers' Compensation	Statutory Limits
• EL Each Accident	$1,000,000
• EL Disease - Policy Limit	$1,000,000
• EL Disease - Each Employee	$1,000,000
• Automobile Liability	
• Any vehicle, combined single limit	$1,000,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

11.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

11.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California.

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11.6. **Automobile Liability Insurance.** Covered vehicles shall include owned if any, non-owned, and hired automobiles and, trucks.

11.7. **Professional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed $50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

11.8. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

11.9. **Additional Insured Endorsements.** The Commission, its Commissioners , officers, and employees of San Diego Local Agency Formation Commission must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the Commission, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.

11.10. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project and the Consultant does not furnish a new certificate of insurance prior to cancellation, Commission has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.

11.11. **Notices.** Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired

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policies of insurance have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is: San Diego County Local Agency Formation Commission, 2550 Fifth Avenue, Suite 725, San Diego, California 92103-6624.

11.12. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to Commission. Any insurance or self-insurance maintained by Commission and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

11.13. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the Commission. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.

11.14. **Report of Claims to Commission.** Consultant shall report to the Commission, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.

11.15. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the Commission. The Commission may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, Commission must approve all such amounts prior to execution of this Agreement. Commission has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to Commission's approval.

11.16. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify Commission under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration or early termination of this Agreement.

12. MUTUAL COOPERATION

12.1. **Commission Cooperation in Performance.** Commission shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

12.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against Commission relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that Commission may require in the defense of that claim or action.

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13. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, email, or overnight courier service during Consultant's and Commission's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to Commission
Priscilla Mumpower
Assistant Executive Officer
San Diego Local Agency Formation Commission
2550 Fifth Avenue, Suite 725
San Diego, California 92103-6624
858-614-7755
priscilla.mumpower@sdcounty.ca.gov

If to Consultant
Jim Simon
Principal
RGS, Inc.
170 Eucalyptus Avenue, Suite 200
Vista, California 92084
714-541-4585
jsimon@rsgsolutions.com

With courtesy copy to:
Holly O. Whatley, Esq.
General Counsel
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd.., Ste. 850
Pasadena, Angeles, CA 91101
(213) 542-5700
hwhatley@chwlaw.us

14. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 5.12 (Records), Section 9.4 (Indemnification of CalPERS Determination), Section 10 (Indemnification), Section 11.8 (Claims-Made Policies), paragraph 11.13 (Waiver of Subrogation), Section 12.2 (Consultant Cooperation in Defense of Claims), Section 14 (Surviving Covenants), Section 16 (Interpretation of Agreement), and Section 19 (General Provisions) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

15. TERMINATION

15.1. **Commission Termination.** Commission may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All Commission data, documents, objects, materials or other tangible things shall be returned to Commission upon the termination or expiration of this Agreement.

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15.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement by the Commission upon 30 days' notice.

15.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. The Commission shall have the benefit of such work as may have been completed up to the time of such termination.

15.4. **Remedies.** Commission retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

16. INTERPRETATION OF AGREEMENT

16.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

16.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the provisions of this Agreement and its exhibits, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the exhibits of this Agreement, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between Commission and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on by Commission and Consultant.

16.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.

16.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

16.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

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16.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

17. CONFLICT OF INTEREST DISCLOSURE

Pursuant to Government Code Section 1097.6, subdivision (c)(1), "[The] [C]onsultant's duties and services under this agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. [C]onsultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. [C]onsultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by [Consultant] pursuant to this agreement."

18. GENERAL PROVISIONS

18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by Commission. Commission shall grant such consent if disclosure is legally required. All Commission data shall be returned to Commission upon the termination or expiration of this Agreement.

18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the Commission's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without Commission's prior written consent, and any attempt to do so shall be void and of no effect. Commission shall not be obligated or liable under this Agreement to any party other than Consultant.

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18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.

18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.

18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by Commission or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by Commission or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.

18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in Commission's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.

18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs expended in the action.

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18.12. **Venue.** The venue for any litigation shall be San Diego County, California and Consultant hereby consents to sole jurisdiction in San Diego County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

18.13. **Counterparts; Electronic Signatures.** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument. The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed or emailed versions of an original signature, electronically scanned and transmitted versions (e.g., via pdf) of an original signature, or a digital signature.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"COMMISSION"	"CONSULTANT"
San Diego County Local Agency Formation Commission	RSG, Inc.
Authorized Signatories:	
Signature: Keene Simonds	Signature: Signed by: JAMES SIMON A808E5196B2C4D0...
Printed: Keene Simonds	Printed: JAMES SIMON
Title: Executive Officer	Title: President
Date: 5-6-26	Date: 5/6/2026

Attest:

Signature: Erica A Sellen

Printed: Erica Sellen

Title: Commission Clerk

Date: 5/11/2026

Approved as to Form:

Signature:

Printed: Alek Giragosian

Title: Deputy General Counsel

Date: 5/11/2026

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EXHIBIT A
Scope of Services & Fee Schedule

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RSG
BETTER COMMUNITIES.
BOLDER FUTURES.

Via Electronic Mail

April 28, 2026

Michaela.Peters@sdcounty.ca.gov

Michaela Peters, Local Government Analyst II
San Diego Local Agency Formation Commission (LAFCO)
2550 Fifth Avenue, Suite 725
San Diego, California 92103-6624

PROPOSAL FOR OCEANSIDE SMALL CRAFT HARBOR DISTRICT GOVERNANCE STUDY - PHASE 1: WORK PLAN DEVELOPMENT

Dear Ms. Peters:

RSG, Inc. is pleased to submit this proposal to assist San Diego LAFCO in developing a detailed work plan for a comprehensive governance and financial study of the Oceanside Small Craft Harbor District (SCHD). This Phase 1 engagement will establish the foundation for a future Phase 2 study by building stakeholder consensus on research priorities, analytical methodologies, and study scope.

PROJECT UNDERSTANDING

San Diego LAFCO's November 2024 Municipal Service Review for the Oceanside Region identified significant concerns among SCHD stakeholders regarding governance structure and financial management. The MSR documented "general unease" among nearly 1,000 boat slip users who generate over 80% of annual revenues, with specific concerns including:

- Governance Structure: Stakeholder interest in exploring alternatives to the current dependent district model (City Council governance since 1995)
- Financial Management: Estimated $14-23 million in deferred maintenance, zero reserves, and questions about enterprise fund management and revenue allocation
- Infrastructure Crisis: Capital assets exceeding expected useful lives by 300%
- Accountability: Desire for direct constituent influence on decision-making, particularly regarding public safety and financial stewardship

The MSR's Recommendation 12 specifically calls for LAFCO to consider authorizing a governance study to assess alternatives for the benefit of both SCHD and the City of Oceanside. This Phase 1 proposal responds to that recommendation by focusing on collaborative work plan development before committing significant resources to the full study.

PROPOSED APPROACH

Phase 1 is designed as an efficient, stakeholder-driven process to answer the critical question: "What should a governance study examine, and how?" Rather than jumping directly into analysis, this approach ensures that Phase 2 addresses the right questions using appropriate methodologies with buy-in from all parties.

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Our approach includes:

- Thorough review of existing documentation (MSR, financials, governance history)
- Focused engagement with key stakeholders to understand priorities and concerns
- Development of a detailed Phase 2 work plan specifying research questions, methodologies, peer agencies, and analytical approaches
- Consensus-building to ensure Phase 2 has stakeholder support

All work will be conducted virtually with no travel time billed, keeping costs efficient while maintaining quality.

SCOPE OF WORK

Task 1: Document Review & Issue Identification (5.5 hours)
We will review key background materials to establish baseline understanding and identify critical issues requiring study to facilitate a discussion with the working group:

Documents to Review:

- San Diego LAFCO MSR for Oceanside Region (November 2024)
- SCHD financial records (audits, budgets, State Controller Financial Transaction Reports)
- Governance history, formation documents, and current City/SCHD agreements
- Infrastructure assessments and capital improvement plans
- Public meeting records documenting stakeholder concerns
- Relevant Harbor and Navigation Code provisions

Analysis Focus:

- Historical governance structure and changes (1960-present)
- Current financial management practices and enterprise fund compliance
- Deferred maintenance and capital needs
- Stakeholder concerns documented in MSR and public record
- Preliminary identification of governance alternatives for Phase 2 evaluation
- Initial peer agency identification for comparative analysis

Deliverable: Issues & Options presentation slides, summarizing key governance and financial issues, preliminary alternatives, suggested peer agencies, critical questions for
Phase 2, and recommended study approach.

Task 2: Working Group Engagement Meeting (3.5 hours)
We will facilitate a single 90-minute virtual meeting with the designated SCHD Working Group to gather input on Phase 2 priorities and approach.

Meeting Objectives:

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- Present findings from document review
- Discuss governance alternatives and financial analysis priorities
- Gather input on peer agency selection
- Build preliminary consensus on Phase 2 approach
- Identify areas requiring additional stakeholder input

Meeting Structure (90 minutes):

1. Presentation of Issues & Options (25 minutes)
2. Facilitated discussion of priorities and methodology (55 minutes)
3. Agreement on interview approach and next steps (10 minutes)

Deliverables: Meeting agenda and meeting summary

Task 3: Key Stakeholder Interviews (4.0 hours)
We will conduct 3-4 brief individual interviews (30 minutes each), which may be in pairs or individual as preferred by the Working Group, to understand specific concerns and priorities in greater depth.

Interview Focus Areas:

- Primary concerns with current governance and financial management
- Desired outcomes from governance study
- Priorities for financial analysis (enterprise fund compliance, cost allocation, reserve policies, peer comparisons)
- Input on governance alternatives to evaluate
- Preferences on peer agencies for comparison

Deliverable: Interview synthesis memorandum (anonymized themes and findings)

Task 4: Phase 2 Work Plan Development (6.5 hours)
Based on document review, working group input, and stakeholder interviews, we will prepare a detailed work plan for Phase 2 (the governance study itself).

Work Plan Components:

1. Study Purpose & Research Questions
    a. Clear objectives and specific questions to be answered
    b. How findings will inform LAFCO decision-making
2. Governance Alternatives Analysis Framework
    a. Current dependent district structure (baseline)
    b. Independent special district with elected board
    c. Other alternatives identified through Phase 1 stakeholder process
    d. Evaluation criteria (financial sustainability, accountability, service quality, etc.)
3. Financial Analysis Methodology
    a. Enterprise fund compliance assessment (GASB standards)

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   b. Comparative financial analysis with peer agencies
   c. Cost allocation analysis (harbor operations vs. general fund services)
   d. Capital planning and reserve policy evaluation
   e. Long-term financial projections under alternative scenarios
   f. Rate impact analysis
4. Peer Agency Selection & Comparison Framework
   a. Selection criteria (size, operations, governance structure, location)
   b. Proposed peer harbor/marina list (drawing from prior LAFCO research)
   c. Specific comparison metrics (financial performance, service levels, governance effectiveness)
   d. Data sources (State Controller, audits, direct agency contact)
5. Legal & Procedural Requirements
   a. Applicable statutes (Harbors & Navigation Code, Cortese-Knox-Hertzberg Act)
   b. LAFCO reorganization procedures
   c. Protest and election requirements
   d. Implementation considerations
6. Stakeholder Engagement Plan for Phase 2
   a. Working group continuation
   b. Broader outreach strategy (slip renter surveys, public meetings, focus groups)
   c. Agency coordination
   d. Decision points
7. Timeline, Budget & Deliverables
   a. Phase 2 duration estimate
   b. Key milestones
   c. Budget parameters
   d. Deliverable specifications

Deliverable: Draft Phase 2 Work Plan (10-15 pages)

Task 5: Finalization & LAFCO Briefing (1.5 hours)
We will finalize the Phase 2 Work Plan based on working group feedback and present recommendations to LAFCO.

Activities:

- Incorporate working group feedback from Task 2 meeting
- Finalize Phase 2 Work Plan
- Prepare briefing presentation for LAFCO
- Provide Phase 2 budget estimate (if requested). We estimate the budget for the study may be in the range of $50,000-75,000, preliminarily – to be refined as part of the Phase 1 Work Plan.

Deliverables: Final Phase 2 Work Plan, Phase 2 budget proposal (optional)

PHASE 2 PREVIEW

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While Phase 2 scope will be developed collaboratively through this Phase 1 process, we anticipate the full governance study will include some or all of the following tasks, based on available budget. RSG understands that LAFCO is seeking matching funding, which may alter the total budget (inclusive of Phase 1 and 2) from $30,000 to $60,000-$70,000 with matching funding. We have segregated what we feel is achievable under both funding scenarios below, subject to refinement and completion of Phase 1.

- Floor Scenario ($24,000 of $30,000 available for work program
  - Current operations and financial performance assessment
  - Limited peer agency comparative analysis (financial, governance)
  - Governance alternatives analysis with detailed pros/cons
  - Final governance study report with findings and recommendations

- Match Scenario ($54,000-$64,000 of $60,000-$70,000 available for work program
  - Tasks above plus:
    - Historical governance analysis (1960-present)
    - Peer agency comparative analysis (financial, operational, governance)
    - Enterprise fund compliance and best practices evaluation
    - Financial projections under alternative governance scenarios
    - Legal and procedural requirements for any reorganization
    - Broad stakeholder engagement (surveys, focus groups, public meetings)

Estimated Phase 2 Duration: 6-12 months

PROJECT TIMELINE

Phase 1 will be completed within 6 weeks from authorization to proceed:

- Week 1-2: Document Review & Issue Identification (Task 1)
- Week 2-3: Working Group Meeting & Stakeholder Interviews (Tasks 2-3)
- Week 3-4: Draft Phase 2 Work Plan Development (Task 4)
- Week 5: Working Group Review (incorporated in Task 2 meeting structure)
- Week 6: Finalization & LAFCO Briefing (Task 5)

CONSULTANT TEAM

The consultant team assigned to work on this project include myself as engagement manager and Carol Ieromnimon, Associate. For the sake of brevity, we have not included our resumes in this proposal but they are available at our website (https://rsgsolutions.com/meet-our-team/)

FEE PROPOSAL

RSG is proposing to complete this assignment on a time and materials basis for a not to exceed fee of $30,000, inclusive of $6,000 for Phase 1 and $24,000 for the limited scope within Phase 2, assuming no matching funds. RSG would bill for these services based on the fee schedule and billing policies below.

Principal	$ 305

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Director	$ 295
Senior Associate	$ 250
Associate	$ 205
Senior Analyst	$ 185
Analyst	$ 170
Research Assistant	$ 145

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services and overnight shipping/express mail costs. We also charge for copies of reports, documents, notices, and support material in excess of five copies. We bill reimbursable costs at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended, and the hourly rate.

Thank you for the opportunity to assist LAFCO with this engagement. We look forward to discussing this proposal with you and commencing the work to provide transparency and clarity to LAFCO and the affected stakeholders.

Sincerely,
RSG, Inc.



Jim Simon, Principal

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