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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA
Monday, August 5, 2024

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

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

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

Video Viewing Only
@sandiegolafco9909

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

Participation Instructions:

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

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

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

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

Remote participation by e-mail is also welcomed by sending comments to Commission Clerk Erica Sellen at erica.sellen@sdcounty.ca.gov.

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

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

Public Accommodations:

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

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

Contact Information:

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

   a) **Roll Call of Commissioners Present**

   b) **Pledge of Allegiance**

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

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

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

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

   a) **Approval of Meeting Minutes for June 3, 2024 (action)**
   The Commission will consider action minutes prepared by the Interim Commission Clerk for the June 3, 2024 meeting. Recommendation to approve as presented. (Pages 7-16)

   b) **Commission Ratification |**
   Recorded Payments for May and June 2024 (action)
   The Commission will review a report identifying all payments made and received for May and June 2024. Recommendation to ratify payments as presented. (Pages 17-26)

   c) **4th Quarter Budget Report for 2023-2024 |**
   Administrative Close of the Fiscal Year and Corrective Amendments (action)
   The Commission will review a report comparing budgeted and actual transactions through the fourth quarter as part of the administrative close of the fiscal year. The report details the Commission finished June 30th in positive standing with an overall net balance of $0.0.32 million or 1.3%. The report is being presented to the Commission to accept and file as well as approve the close-of-year budget amendments to ensure all expense units finish with authorized balances. Recommendation to approve. (Pages 27-34)

   d) **Results of Protest Hearing | Conditionally Approved "Sky Ranch Change of Organization" Detachment from Helix Water District and Conforming Sphere Amendment (action)**
   The Commission will receive the results of the protest hearing held for the "Sky Ranch Change of Organization." This change of organization was conditionally approved in May 2024 and involves the detachment of approximately 26.5 acres of inhabited incorporated territory within the City of Santee from the Helix Water District. The noticed protest hearing was held on July 1, 2024. No protest was filed at the close of the hearing. The protest hearing results are being presented for the Commission to formally receive and file. (Pages 35-42)

CONSENT ITEMS CONTINUED…

e) **Proposed "Keys Project LLC – Montemar Drive Change of Organization" | Annexation to the San Diego County Sanitation District (LAFCO File No. CO24-01) (action)**
The Commission will consider a change of organization proposal initiated by a landowner petition (Keys Project LLC). The proposal seeks approval to annex approximately 1.8 acres of unincorporated territory within Spring Valley to the San Diego County Sanitation District. The affected territory as submitted is presently developed with one uninhabited single-family residence at 9421 Montemar Drive and adjacent public right-of-way (APN 504-242-01). The purpose of the proposal is to make public wastewater available to the affected territory and in doing so accommodate the construction of two single-family residences via an urban lot-split as allowed under Senate Bill 9 (SB9). Staff recommends conditional approval of the proposal as submitted along with waiving protest proceedings. It is also recommended the Commission find the project is exempt under CEQA Guidelines Section 15319(b).
(Pages 43-68)

f) **Progress Report on the Annual Workplan and Proposed Amendments (action)**
The Commission will receive a progress report on the commencement of the adopted workplan and the 30 projects set for 2024-2025 as well as consider specific amendments. One-third of all projects are underway through the first month with the majority involving high-priority activities that have been forwarded over from the prior fiscal year. Amendments are proposed to account for changes in circumstances following the workplan adoption and headlined by adding a still-active municipal service review on the Oceanside region from the prior fiscal year while removing participation in the CALAFCO Legislative Committee. It is recommended the Commission formally receive the progress report and approve the proposed amendments as presented. (Pages 69-74)

g) **Proposed Fund Balance Designations for 2024-2025 (action)**
The Commission will perform its annual task under policy to review and make fund balance designations for the new fiscal year. The total spendable cash fund balance as of July 1, 2024 was $1,732,010. It is proposed the Commission reset the designations to largely match the preceding fiscal year and marked by continuing to set $750,000 aside as committed monies for opportunity or stabilization uses. A change is proposed to lower the assigned monies set aside to the Executive Officer to cover specific expenses under policy from $125,000 to $100,000. The remaining monies –$882,010– would be left unassigned. (Pages 75-82)

h) **Report on Active Proposals and Related Activities (information)**
The Commission will receive a status report on active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. The item is for information and satisfies LAFCO's reporting requirement. (Pages 83-94)

i) **Designation of Labor Negotiators (action)**
The Commission will consider designating its labor negotiators for purposes of reviewing – and negotiating if warranted - the salary and benefits of the Executive Officer as part of the annual performance review. Consistent with policy and practice, it is recommended the Commission formally designate Chair Whitburn, Vice Chair Willis, and Past Chair Desmond as its negotiators in step with their role as the Executive Officer Compensation Committee. (Pages 95-96)

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

a) CONTINUED PUBLIC HEARING
Revised Draft Report |
Municipal Service Review on the Oceanside Region (action)
The Commission will continue a hearing and receive a revised draft municipal service review on the Oceanside region. The revised draft follows an initial presentation to the Commission in June and subsequent direction to provide the City of Oceanside additional time to review before proceeding with a formal public review and comment period. The other two affected agencies – Oceanside Small Craft Harbor District and Morro Hills Community Services District – were similarly provided additional time to review the document with staff also making a formal presentation with the latter's governing board. Revisions are shown in track-change format and are comparatively limited. The revised draft is being presented to the Commission for discussion and authorization to proceed as planned with initiating formal public review and comment in line with preparing a final document for future action. (Pages 97-308)

b) Appointment of an Alternate Public Member and Related Actions (action)
The Commission will consider a recommendation from its Alternate Public Member Recruitment Committee (Whitburn, Willis, and White) to fill an unexpired term through April 2027. The recommendation follows the Commission's action in March to create and task the Committee to conduct an open recruitment to fill the alternate seat following the promotion of Commissioner Mathis to the regular seat. Drawing from its delegated process, the Committee unanimously recommends the appointment of Bridgette Browning. It is also recommended the Commission formally dissolve the Committee. (Pages 309-320)

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

a) Proposed Update to the Rolling Five-Year Study Schedule (action)
The Commission will consider approving a proposed update to its rolling five-year study schedule marked by resetting the coverage period from FY2024-2028 to FY2025-2029. The proposed update is part of an annual process to sync the study schedule to actual authorizations by the Commission in adopting the annual workplan specific to preparing municipal service reviews. The first two years of the proposed update remain largely intact and continue existing practice to capture all municipal service reviews covered in the adopted workplan paired with accommodating the expectation some studies require more than one year to complete. One new study has been added to the first two-year period and involves the previously unscheduled municipal service review on SANDAG and its regional housing, transportation, and climate adaptation service functions. Other changes in the proposed update involve reorganizing certain regional studies to better address multi-city serving special districts and adding a new study on airports in the fifth year. Staff recommends the Commission approve the proposed update with any desired changes. (Pages 321-334)

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER ANNOUNCEMENTS & REQUESTS FOR FUTURE ITEMS

10. CLOSED SESSION

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

11. ADJOURNMENT

Attest to Posting:

Erica Sellen
Commission Clerk

5a

AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

FROM: Michaela Peters, Interim Commission Clerk

SUBJECT: **Approval of Meeting Minutes | Regular Meeting of June 3, 2024**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on June 3, 2024. The minutes are in action form and being presented for formal Commission approval.

BACKGROUND

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

DISCUSSION

This item is for San Diego LAFCO to consider approving action minutes for the June 3, 2024, regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present.
- All alternate Commissioners were present except Nora Vargas (County) and Marni von Wilpert (City of San Diego).

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

ANALYSIS

The attached draft minutes for the June 3, 2024, regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by the Commission Clerk. A video recording of the meeting has also been posted on the Commission's website (www.sdlafco.org).

RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the June 3, 2024, regular meeting as presented. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Approve the attached draft minutes prepared for the June 3, 2024, regular meeting with any requested corrections or clarifications.

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

PROCEDURES

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

Respectfully,

Michaela Peters

Michaela Peters
Interim Commission Clerk

Attachment:

1) Draft Meeting Minutes for June 3, 2024

DRAFT MINUTES
SAN DIEGO LAFCO
June 3, 2024 REGULAR MEETING

1. 8:15 A.M. – CALL TO ORDER BY CHAIR

Item 1a
ROLL CALL

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

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

The Interim Commission Clerk confirmed a quorum with eight voting members present. Also present at the time of roll call were the following LAFCO staff: Executive Officer Keene Simonds; Assistant Executive Officer Priscilla Mumpower; Commission Counsel Holly Whatley; Local Government Analyst II Michaela Peters; and GIS Analyst Dieu Ngu.

***** Michaela Peters also concurrently serving as Interim Commission Clerk.

Item 1b
PLEDGE OF ALLEGIANCE

Commissioner Becker led the Pledge of Allegiance.

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

None.

3. AGENDA REVIEW

Chair Whitburn asked Executive Officer Simonds if there were any requests to remove or rearrange items on the agenda. The Executive Officer responded no changes to the agenda are needed. It was separately noted that there was one item of supplemental correspondence from the Oceanside City Manager regarding Agenda Item 6a. With no changes requested, the Chair confirmed the Commission would proceed as planned.

4. PUBLIC COMMENT AND RELATED ITEMS

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

5. CONSENT ITEMS

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

Item 5b
Commission Ratification | Recorded Payments for April 2024 (action)
Item presented to ratify recorded payments made and received by the Executive Officer for April 2024. Recommendation to ratify.

Item 5c
Progress Report on Adopted Workplan (action)
Item presented to Commission to receive a progress report on accomplishing the 30 projects included in the adopted workplan for 2023-2024. Recommendation to receive and file with the opportunity to identify potential amendments for future consideration.

Item 5d
Report on Active Proposals and Related Activities (information)
Item presented to receive a status report on the 26 active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. Information only.

**

Roll call requested:

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

The Interim Commission Clerk confirmed the motion was approved 8-0.

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

Item 6a
Municipal Service Review |
Draft Report on Municipal Service Review on the Oceanside Region (action)
Item presented to the Commission to receive a draft report prepared as part of the scheduled municipal service review on the Oceanside region. The item was prepared as part of the adopted workplan to address the Commission's task in statute to independently evaluate public services in the region with a specific focus on the principal local government agencies subject to its oversight – City of Oceanside, Oceanside Small Craft Harbor District, and Morro Hills Community Service District. The staff presentation detailed the draft report's tentative conclusions and recommendations. Staff sought feedback from the Commission and other interested members of the public – including the affected agencies – on the draft ahead of formally initiating a 45-day review and comment period and returning with a final document for formal action at a future meeting.

Chair Whitburn invited any disclosures from Commissioners on material ex parte communications. Disclosures from Commissioner Becker, Desmond, White, and Whitburn were announced.

Local Government Analyst II Peters provided the staff presentation followed by observations by Executive Officer Simonds detailing the reasons for the recommendations.

Executive Officer Simonds addressed supplemental correspondence from Oceanside City Manager, Jonathan Borrego, expressing interest in a 4-week pause to allow the City to further review the document and provide comments on the MSR before the formal 45-day comment period.

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

- Oceanside Mayor, Esther Sanchez
- Oceanside City Manager, Jonathan Borrego
- Fallbrook Community Planning Group Committee Chair, Eileen Delaney

The Interim Commission Clerk confirmed there were no requests to speak online or any live e-mail comments.

Chair Whitburn proceeded to invite questions and comments from the Commissioners. A discussion followed on the dais with general agreement to accommodate the request by Oceanside. The Chair proceeded to close the hearing and invited a motion.

Commissioner Desmond motioned with a second from Commissioner Becker to continue the item (Alternative Two) and request staff return in August with the draft subject to any revisions made in step with providing Oceanside additional time to comment.

Item 6a Continued…

Roll call requested:

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

The Interim Commission Clerk confirmed the motion was approved 8-0.

7. BUSINESS ITEMS

Item 7a
White Paper on Regional Growth Management |
"The Contours of Regional Growth: How Different Agencies Shape Development and Transportation Patterns in the San Diego Region" (action)
Item presented to the Commission to receive a white paper evaluating the San Diego region's growth management policies and practices consistent with the adopted workplan. The William Fulton Group had prepared the white paper. It explores the historical and emerging roles among the principal regional growth management agencies in San Diego County – LAFCO, the County of San Diego, and the San Diego Association of Governments (SANDAG). Staff recommends the Commission formally accept and file the white paper with any related requests for additional information.

LAFCO Consultant Chris Cate introduced Bill Fulton with the William Fulton Group who gave the presentation to the Commission.

At the request of Chair Whitburn, the Interim Commission Clerk confirmed there were no registered speakers (audience or remote) or live e-mail comments.

Chair Whitburn proceeded to invite questions and comments from the Commissioners. A brief discussion followed on the dais. The Chair proceeded to close the hearing, thanked Mr. Fulton for the excellent report and presentation.

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

Roll call requested:

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

The Interim Commission Clerk confirmed the motion was approved 8-0.

BUSINESS ITEMS CONTINUED…

Item 7b
Establishing a Communications Associate Position and Related Actions (action)
The Commission will consider approving a new job classification – Communications Associate – along with related staffing actions. The proposed new job classification has been prepared in consultation with the Commission's contract human resources advisor – Regional Government Services – in line with the conclusion that a new non-management position is needed to provide specified functions that are otherwise displaced among three existing classifications (Administrative Assistant, Executive Assistant, and Analyst I). The responsibilities of the Communications Associate would primarily focus on performing outreach-based tasks and serving as a front-line liaison between the public and the balance of LAFCO staff. The proposed wage and benefit package aligns with that of Analyst I, offering an approximate annual salary range of $55,228 to $86,807. It is similarly recommended the Commission modify the approved budgeted staffing allocation for FY 2025 by replacing one of the three open and budgeted Analyst I position with the Communications Associate. No financial impacts are associated with the staff recommendations.

LAFCO Assistant Executive Officer Priscilla Mumpower provided the staff presentation.

Chair Whitburn proceeded to invite questions and comments from the Commissioners. A brief discussion followed with clarifications sought on the role of the new position.

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

**

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

Roll call requested:

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

The Interim Commission Clerk confirmed the motion was approved 8-0.

BUSINESS ITEMS CONTINUED…

Item 7c
Outside Audit Report on Fiscal Year 2023-2024 (action)
Item presented for the Commission to receive an outside audit report on the financial statements issued for 2022-2023. The outside audit concludes all tested transactions were accompanied by sufficient documentation and no material weaknesses were identified. The audited fund balance finished at $1.613 million and reflects a year-end change of $0.108 million or 7.2% from the prior fiscal year and ties to an operating surplus. It is recommended the Commission accept and file the audit report.

LAFCO Executive Officer Simonds provided the staff presentation.

Chair Whitburn proceeded to invite questions and comments from the Commissioners. A brief discussion on the dais followed.

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

**

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

Roll call requested:

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

The Interim Commission Clerk confirmed the motion was approved 8-0.

8. EXECUTIVE OFFICER REPORT

Executive Officer Keene Simonds noted the following items:

- Congratulated Michaela Peters on her promotion from Analyst I to Analyst II.
- Priscilla Mumpower gave an update on the Alternate Public Member Recruitment Committee and the approaching deadline to submit letters of interest by June 10th.
- LAFCO received notice from proponents in La Jolla to circulate a petition for incorporation and in doing so starting a six-month window to secure no less than 25% of registered voters' signatures in order to proceed with an actual filing.

9. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

Vice Chair Willis expressed interest in the Commission providing a letter of support on behalf of Valley Center Fire Protection District to receive a portion of property tax to help stabilize services. Commissioner Desmond commented that his staff is working on a related topic for future presentation to the Board of Supervisors and suggested Commissioner Willis and the Commission hold off on any related actions by LAFCO.

Commissioner MacKenzie expressed gratitude to the Commission Counsel's Office for Michael Colantuono's excellent presentation at the California Special Districts Legislative Days.

10. ADJOURNMENT TO NEXT MEETING

With no further business, Chair Whitburn adjourned the meeting at 10:01 a.m.

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its June 3, 2024 meeting.

ATTEST,

Michaela Peters

Michaela Peters
Interim Commission Clerk

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5b

AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Sellen, Commission Clerk

SUBJECT: **Commission Ratification | Recorded Payments for May and June 2024**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying payments made and received between May and June 2024. The payments cover all recorded transactions for the two-month period and include $0.487 million in total distributions made by the Executive Officer. Nearly one-half of all payments made tie to the County of San Diego for payroll reimbursements as well as charges for general overhead and information technology services. Most of the remaining payments made involve professional services involving consultant and legal usage. Payments received total $0.042 million.

BACKGROUND

Accounting Policies and Procedures

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

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

DISCUSSION

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

ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer covering May and June 2024 total $486,652 with 42% – or $205,632 – tied to transactions with the County of San Diego. This includes payroll reimbursements covering four pay periods as well as expenses for general overhead and information technology services. All expenses are consistent with the adopted budget. Revenues collected total $42,382 and largely tie to grant reimbursements.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Ratify the recorded payments received and made by the Executive Officer for May and June 2024 as shown in Attachment One.

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

Alternative Three
Take no action.[1]

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

PROCEDURES

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

On behalf of the Executive Officer:

Erica A. Sellen

Erica Sellen
Commission Clerk

Attachments:

1) Recorded Transactions in May 2024
2) Recorded Transactions in June 2024

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SAN DIEGO LAFCO
Expenses by Vendor Detail
May 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | 3MC Strategies LLC						
	5/6/2024	52370.F · Professional Services	9,200.00	Consultant Services | Relations + Financial Analysis	electronic	1000 · County Account (44595)
E | Ace Parking						
	5/3/2024	52610 · Non-Travel/In-County	10.00	Parking for EO	debit card	3558 · SDCCU Checking
	5/6/2024	52530 · Office Lease	980.00	Monthly Parking Rent & Parking Validations	electronic	1000 · County Account (44595)
	5/31/2024	52530 · Office Lease	1,010.00	Monthly Parking Rent & Parking Validations	electronic	1000 · County Account (44595)
			2,000.00			
E | ADW Consulting LLC						
	5/15/2024	52370.F · Professional Services	11,625.00	Consultant Services | Relations + Goverance Analysis	electronic	1000 · County Account (44595)
E | After Effects (Adobe)						
	5/10/2024	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	5/15/2024	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E | Agricultural Impact Associates LLC						
	5/15/2024	52304 · Miscellaneous Expense	17,487.28	SALC Grant	electronic	1000 · County Account (44595)
E | Amazon						
	5/30/2024	52344 · Stores Unallocated	298.55	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
E | Ambius						
	5/13/2024	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants	check	3558 · SDCCU Checking
E | Apple						
	5/15/2024	52270 · Memberships	59.99	PDF Reader Software	credit card	3558-60 · SDCCU Visa Credit Card
E | Assura Software						
	5/6/2024	52074 · Telecommunications	550.00	Website Hosting Support Services	electronic	1000 · County Account (44595)
E | AT&T Mobility						
	5/13/2024	52074 · Telecommunications	409.90	Monthly Cell Phone | LAFCO Staff	check	3558 · SDCCU Checking
E | Blue Barn Creative LLC						
	5/31/2024	52074 · Telecommunications	2,000.00	Video Recording Services	electronic	1000 · County Account (44595)
E | Canva						
	5/7/2024	52270 · Memberships	12.99	Monthly Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Chase Design Inc						
	5/15/2024	52334 · Printing	562.50	Analyst Recruitment Flier	electronic	1000 · County Account (44595)
E | Chili's						
	5/30/2024	52330 · Office Expense	58.11	Document Storage	check	3558 · SDCCU Checking
E | Corodata						
	5/22/2024	52370.B · Professional Services	4,606.00	Commission Counsel Services	electronic	1000 · County Account (44595)
E | County of San Diego						
	5/1/2024	52354 · Mail/Postage ISF	523.86	Mail/Postage Services	electronic	1000 · County Account (44595)
	5/1/2024	52178 · Vehicle Maintenance	139.87	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	5/1/2024	52182 · Vehicle Fuel	29.82	Vehicle Fuel	electronic	1000 · County Account (44595)
	5/1/2024	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	5/1/2024	52721 et al. · Communications (IT) Services	10,100.42	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	5/6/2024	52504 · Equipment Rental	5.72	County Surcharge | Xerox	electronic	1000 · County Account (44595)
	5/10/2024	51110 et al. · Employee Payroll	42,059.52	Payroll | Pay Period 2024-23	electronic	1000 · County Account (44595)
	5/24/2024	51110 et al. · Employee Payroll	45,114.23	Payroll | Pay Period 2024-24	electronic	1000 · County Account (44595)
	5/31/2024	52550.B · County Overhead Costs	8,076.75	A-87 4th Quarter	electronic	1000 · County Account (44595)
	5/31/2024	52550.B · County Overhead Costs	17.74	County Surcharge | A-87 4th Quarter	electronic	1000 · County Account (44595)
	5/31/2024	52304 · Miscellaneous Expense	3,225.21	SALC Grant Payment to County DPS	electronic	1000 · County Account (44595)
			109,458.63			
E | CSDA San Diego Chapter						
	5/15/2024	52610 · Non-Travel/In-County	80.00	Quarterly Dinner (MP)	check	3558 · SDCCU Checking
E | Fax Plus						
	5/8/2024	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E | Indeed						
	5/1/2024	52562 · Investigative/Recruitment	49.19	Recruitment for Two Analysts	credit card	3558-60 · SDCCU Visa Credit Card
E | Jitters Express						
	5/15/2024	52610 · Non-Travel/In-County	3.50	EO & Oceanside Mayor Debriefing (Oceanside MSR)	debit card	3558 · SDCCU Checking
E | Lazy Dog						
	5/24/2024	52610 · Non-Travel/In-County	77.06	EO Debriefing with BW	debit card	3558 · SDCCU Checking

SAN DIEGO LAFCO
Expenses by Vendor Detail
May 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Leaf & Cole LLP						
	5/6/2024	52370.H · Professional Services	3,695.00	Accounting Services	electronic	1000 · County Account (44595)
E | Manchester Financial 5th Ave LP						
	5/8/2024	52530 · Office Lease	23,396.24	Office & Storage Rent (Two Months)	electronic	1000 · County Account (44595)
E | Peterson Donuts						
	5/6/2024	52330 · Office Expense	60.00	Commission Meeting Refreshments	debit card	3558 · SDCCU Checking
E | Plaza Deli & Catering						
	5/30/2024	52610 · Non-Travel/In-County	6.90	EO Briefing with SANDAG	debit card	3558 · SDCCU Checking
E | Postal Annex						
	5/1/2024	52332 · Postage	58.47	Mailing Agenda Packet to BW	credit card	3558-60 · SDCCU Visa Credit Card
	5/29/2024	52332 · Postage	72.69	Mailing Agenda Packet to BW	credit card	3558-60 · SDCCU Visa Credit Card
			131.16			
E | Priscilla Mumpower						
	5/1/2024	52622 · Training/Registration Out-County	112.55	Reimbursement | CALAFCO Conference Items	check	3558 · SDCCU Checking
	5/22/2024	52330 · Office Expense	53.91	Reimbursement | Commission Meeting Debriefing	check	3558 · SDCCU Checking
			166.46			
E | QuickBooks						
	5/5/2024	52330 · Office Expense	90.00	Monthly Service for Online QuickBooks	debit card	3558 · SDCCU Checking
E | SDCCU						
	5/8/2024	52304 · Miscellaneous Expense	25.00	Late Charge on Credit Card	electronic	3558 · SDCCU Checking
E | W. Michael Hanemann						
	5/6/2024	52370 · Professional Services	9,000.00	Consultant Services | Wholesale MSR	electronic	1000 · County Account (44595)
E | Xerox						
	5/10/2024	52504 · Equipment Rental	650.44	Xerox Rental (Two Months)	electronic	1000 · County Account (44595)
E | YouTube						
	5/29/2024	52270 · Memberships	13.99	Monthly Streaming Support Services	debit card	3558 · SDCCU Checking
E | Zoom						
	5/5/2024	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	5/12/2024	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
EXPENSE TOTAL			196,251.18			
REVENUE TOTAL	N/A		0.00			

SAN DIEGO LAFCO
Expenses by Vendor Detail
June 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | 3MC Strategies						
	6/5/2024	52370.F · Professional Services	10,810.00	Consultant Services | Relations + Financial Analysis	electronic	1000 · County Account (44595)
	6/21/2024	52370.F · Professional Services	9,849.96	Consultant Services | Relations + Financial Analysis	electronic	1000 · County Account (44595)
	6/30/2024	52370.F · Professional Services	9,240.04	Consultant Services | Relations + Financial Analysis	electronic	1000 · County Account (44595)
			29,900.00			
E | Ace Parking						
	6/30/2024	52530 · Office Lease	960.00	Monthly Parking Rent	electronic	1000 · County Account (44595)
	6/30/2024	52530 · Office Lease	60.00	Parking Validations	electronic	1000 · County Account (44595)
			1,020.00			
E | ADW Consulting LLC						
	6/5/2024	52370.F · Professional Services	10,725.00	Consultant Services | Relations + Goverance Analysis	electronic	1000 · County Account (44595)
	6/30/2024	52370.F · Professional Services	20,775.00	Consultant Services | Relations + Goverance Analysis	electronic	1000 · County Account (44595)
			31,500.00			
E | After Effects (Adobe)						
	6/10/2024	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	6/16/2024	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E | Amazon						
	6/6/2024	52344 · Stores Unallocated	76.48	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
E | Ambius						
	6/24/2024	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants	check	3558 · SDCCU Checking
E | Assura Software						
	6/4/2024	52074 · Telecommunications	1,050.00	Website Hosting Support Services	electronic	1000 · County Account (44595)
	6/30/2024	52074 · Telecommunications	1,800.00	Website Hosting Support Services (Two Months)	electronic	1000 · County Account (44595)
			2,850.00			
E | AT&T Mobility						
	6/4/2024	52074 · Telecommunications	410.82	Monthly Cell Phone | LAFCO Staff	check	3558 · SDCCU Checking
	6/28/2024	52074 · Telecommunications	399.58	Monthly Cell Phone | LAFCO Staff	check	3558 · SDCCU Checking
			810.40			
E | Blue Barn Creative LLC						
	6/21/2024	52074 · Telecommunications	6,000.00	Video Recording Services (Two Months)	electronic	1000 · County Account (44595)
E | Canva						
	6/15/2024	52270 · Memberships	12.99	Monthly Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E | Chase Design Inc						
	6/5/2024	52334 · Printing	4,912.50	Map Instructions Booklet & Final Workplan and Budget	electronic	1000 · County Account (44595)
	6/21/2024	52334 · Printing	787.50	Oceanside MSR	electronic	1000 · County Account (44595)
	6/30/2024	52334 · Printing	150.00	Communications Associate Flier	electronic	1000 · County Account (44595)
			5,850.00			
E | Chris Cate						
	6/5/2024	52622 · Training/Registration Out-County	419.96	Reimbursement | CALAFCO Conference Airfare	check	3558 · SDCCU Checking
E | Claim Jumer						
	6/5/2024	52610 · Non-Travel/In-County	114.02	EO, AEO, AW & Counsel Debriefing	debit card	3558 · SDCCU Checking
E | Colantuono, Highsmith & Whatley						
	6/5/2024	52370.B · Professional Services	2,342.50	Commission Counsel Services	electronic	1000 · County Account (44595)
	6/30/2024	52370.B · Professional Services	11,695.82	Commission Counsel Services (Three Months)	electronic	1000 · County Account (44595)
			14,038.32			
E | Corodata						
	6/28/2024	52330 · Office Expense	116.22	Document Storage (Two Months)	check	3558 · SDCCU Checking
E | County of San Diego						
	6/1/2024	52354 · Mail/Postage ISF	2,138.12	Mail/Postage Services (Two Months)	electronic	1000 · County Account (44595)
	6/1/2024	52178 · Vehicle Maintenance	821.64	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	6/1/2024	52182 · Vehicle Fuel	72.43	Vehicle Fuel	electronic	1000 · County Account (44595)
	6/1/2024	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	6/1/2024	52721 et al. · Communications (IT) Services	5,976.99	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	6/7/2024	52504 · Equipment Rental	2.30	County Surcharge | Xerox	electronic	1000 · County Account (44595)
	6/7/2024	51110 et al. · Employee Payroll	41,627.43	Payroll | Pay Period 2024-25	electronic	1000 · County Account (44595)
	6/21/2024	51110 et al. · Employee Payroll	45,366.35	Payroll | Pay Period 2024-26	electronic	1000 · County Account (44595)
	6/30/2024	52504 · Equipment Rental	2.39	County Surcharge | Xerox	electronic	1000 · County Account (44595)
			96,173.14			

SAN DIEGO LAFCO
Expenses by Vendor Detail
June 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | Erica Sellen						
	6/12/2024	52566 · Minor Equipment	413.14	Reimbursement | Laptops	check	3558 · SDCCU Checking
E | Fax Plus						
	6/9/2024	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E | Indeed						
	6/1/2024	52562 · Investigative/Recruitment	60.81	Recruitment for Communications Associate	credit card	3558-60 · SDCCU Visa Credit Card
E | Leaf & Cole LLP						
	6/5/2024	52370.H · Professional Services	1,480.00	Accounting Services	electronic	1000 · County Account (44595)
	6/30/2024	52370.H · Professional Services	12,825.00	Accounting Services & Audit Prep (Two Months)	electronic	1000 · County Account (44595)
			14,305.00			
Manchester Financial 5th Ave LP						
	6/5/2024	52530 · Office Lease	11,488.57	Office & Storage Rent	electronic	1000 · County Account (44595)
	6/30/2024	52530 · Office Lease	11,488.57	Office & Storage Rent	electronic	1000 · County Account (44595)
			22,977.14			
E | Michaela Peters						
	6/28/2024	52610 · Non-Travel/In-County	25.69	Reimbursement | New Employee Lunch	check	3558 · SDCCU Checking
E | NETROline Historic Aerials						
	6/19/2024	52490 · Publications	90.00	Photo for Carlsbad MSR	credit card	3558-60 · SDCCU Visa Credit Card
E | News Library						
	6/12/2024	52490 · Publications	19.95	News Article for Carlsbad MSR	debit card	3558 · SDCCU Checking
E | O'Connor & Company						
	6/30/2024	52370.H · Professional Services	9,950.00	Audit Services for FY22-23	electronic	1000 · County Account (44595)
E | Peterson Donuts						
	6/3/2024	52330 · Office Expense	60.00	Commission Meeting Refreshments	debit card	3558 · SDCCU Checking
E | Priscilla Mumpower						
	6/28/2024	52330 · Office Expense	88.00	Reimbursement | Commission Meeting Refreshments (May & June)	check	3558 · SDCCU Checking
E | Puesto						
	6/27/2024	52610 · Non-Travel/In-County	134.13	EO, MP & BW Debriefing	debit card	3558 · SDCCU Checking
E | QuickBooks						
	6/4/2024	52330 · Office Expense	90.00	Monthly Service for Online QuickBooks	debit card	3558 · SDCCU Checking
E | Ready Refresh						
	6/22/2024	52330 · Office Expense	63.15	Monthly Water Service	credit card	3558-60 · SDCCU Visa Credit Card
E | RGS						
	6/5/2024	52370 · Professional Services	917.60	HR Services to AEO	electronic	1000 · County Account (44595)
	6/30/2024	52370 · Professional Services	1,281.68	HR Services to AEO	electronic	1000 · County Account (44595)
			2,199.28			
E | San Diego Union Tribune						
	6/13/2024	52490 · Publications	4,112.56	PHN | Alternate Public Member	check	3558 · SDCCU Checking
E | Sloan Sakai Yeung & Wong LLP						
	6/14/2024	52370.B · Professional Services	6,958.00	Special Counsel Services	electronic	1000 · County Account (44595)
	6/30/2024	52370.B · Professional Services	13,097.36	Special Counsel Services (Three Months)	electronic	1000 · County Account (44595)
			20,055.36			
E | Target						
	6/26/2024	52330 · Office Expense	50.72	ES Office	credit card	3558-60 · SDCCU Visa Credit Card
E | The Corner Drafthouse						
	6/20/2024	52610 · Non-Travel/In-County	88.48	EO Briefing with AEO, AW and CC	credit card	3558-60 · SDCCU Visa Credit Card
	6/26/2024	52610 · Non-Travel/In-County	124.54	Staff Lunch - ES Return	credit card	3558-60 · SDCCU Visa Credit Card
			213.02			
E | The Westbean Cofee						
	6/6/2024	52610 · Non-Travel/In-County	18.81	EO & AEO Debreifing	debit card	3558 · SDCCU Checking
	6/16/2024	52610 · Non-Travel/In-County	25.69	New Analyst Interview with AEO & MP	debit card	3558 · SDCCU Checking
	6/20/2024	52610 · Non-Travel/In-County	43.08	New Analyst Interview & EO Debreifings	credit card	3558-60 · SDCCU Visa Credit Card
			87.58			
E | William Futon Group						
	6/5/2024	52370.F · Professional Services	19,500.00	Consultant Services | Planning	electronic	1000 · County Account (44595)
	6/30/2024	52370.F · Professional Services	6,000.00	Consultant Services | Planning (Two Months)	electronic	1000 · County Account (44595)
			25,500.00			
E | Xerox						
	6/10/2024	52504 · Equipment Rental	260.96	Xerox Rental	electronic	1000 · County Account (44595)
	6/30/2024	52504 · Equipment Rental	271.92	Xerox Rental	electronic	1000 · County Account (44595)
			532.88			

SAN DIEGO LAFCO
Expenses by Vendor Detail
June 2024

Payable | Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E | YouTube						
	6/25/2024	52270 · Memberships	13.99	Monthly Streaming Support Services	debit card	3558 · SDCCU Checking
E | Zoom						
	6/4/2024	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	6/12/2024	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
EXPENSE TOTAL			290,401.22			
R | County of San Diego						
	6/30/2024	49200 · Interest & Dividends	1,655.28	Interest Payment to Account 46725	electronic	1001 · Committed - Stablization (min. balance of $250k)
	6/30/2024	49200 · Interest & Dividends	3,515.76	Interest Payment to Account 46726	electronic	1002 · Committed - Opportunity (min. balance of $300k)
	6/30/2024	49200 · Interest & Dividends	982.14	Interest Payment to Account 46727	electronic	1003 · Assigned - Executive Officer (up to $125k)
			6,153.18			
R | State of California						
	6/18/2024	45281 · State Aid Agriculture	36,228.55	SALC Grant	check	1000 · County Account (44595)
REVENUE TOTAL			42,381.73			

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AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Sellen, Commission Clerk

SUBJECT: **4th Quarter Budget Report for 2023-2024 | Administrative Close of the Fiscal Year and Corrective Amendments**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions through the fourth quarter as part of the administrative close of the fiscal year. The report details the Commission finished June 30th in positive standing with an overall net balance of $0.0.32 million or 1.3%. The overall net reconciles an operating surplus of $97,744 with a non-operating loss of ($66,142) with the latter largely tied to delays in State grant reimbursements. The report is being presented to the Commission to accept and file as well as approve close-of-year budget amendments to ensure all expense units finish with authorized balances.

BACKGROUND

San Diego LAFCO's adopted budget for 2023-2024 totals $2.745 million in matching expenses and revenues. The operating portion of the adopted budget totals $2.261 million in costs and $2.249 million in revenues with the difference covered by drawing down on reserves. LAFCO's unrestricted fund balance at the start of the fiscal year totals $1.613 million with $0.800 million involving unassigned monies.

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Nora Vargas, Alt., County of San Diego
Kristi Becker, City of Solana Beach
Dane White, City of Escondido
John McCann, Alt., City of Chula Vista
Chair Stephen Whitburn, City of San Diego
Marni von Wilpert, Alt., City of San Diego
Vice Chair Barry Willis, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

DISCUSSION

This item is for San Diego LAFCO to receive a comparison of (a) budget to (b) actual expenses and revenues as part of the administrative close of 2023-2024 and ahead of an outside audit review. The comparison is detailed in Attachment One and 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 along with approving correcting amendments for accounting purposes to ensure all units finish the fiscal year with authorized amounts. Additional discussion follows.

Operating Budget

LAFCO's adopted operating budget for 2023-2024 totals $2.261 million in expenses and $2.249 million in revenues and collectively supports day-to-day activities. Operating actuals through the end of the year produce an overall surplus with revenues exceeding expenses by $97,744 or 4.3%. The surplus ties to cost-savings in the salaries/benefits unit resulting from no less than two of the eight budgeted full-time positions remaining unfilled throughout the year.

Non-Operating Budget

LAFCO's adopted non-operating budget for 2023-2024 totals $0.484 million in expenses and $0.496 million in revenues. Non-operating actuals through the end of the year produce an overall shortfall with expenses exceeding revenues by ($66,142) or 57.5%. This actual shortfall entirely ties to covering State grant expenses for SALC 2.0 in the third and fourth quarters ahead of receiving reimbursements.

Correcting Amendments

While LAFCO finished the fiscal year with an overall budget surplus of $0.0.32 million, amendments are needed to ensure all operating units finish with authorized balances. Specifically, this involves transferring excess monies remaining in the salaries/benefit unit to retroactively cover the overrun of ($148,500) in the services/supplies unit with the latter the result of additional consultant usage to help cover for staff shortages.

ANALYSIS

San Diego LAFCO finished 2023-2024 favorably relative to budgeted expectations as reflected in an overall ending surplus of 1.3%. The proposed amendments serve as an internal true-up to the operating budget and reflect actuals generated during the fiscal year involving staffing shortages to take unexpected savings in the salaries/benefits unit to cover unexpected costs in the services/supplies unit.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the final quarterly budget report for 2023-2024 and approve the correcting amendment as proposed. This recommendation is consistent with Alternative One outlined below.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

(a) Accept and file the quarterly report as presented.

(b) Approve amendments to the operating budget to concurrently decrease the expense line for Account No. 51110 (Salaries) by $148,500 and increase the expense line for Account No. 52370 (Professional Services) by $148,500.

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. 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) 2023-2024 Budget with Actuals Through June 30, 2024

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

		FY2022-2023			FY2023-2024			
EXPENSES		**Adopted**	**Amended**	**Actuals**	**Adopted**	**Actuals as of June 30**	**% Expended**	**$ Balance**
Salaries and Benefits Unit								
Account No.	Description							
51110-51310	Salaries and Per Diems	786,510	786,510	715,968	891,455	715,861	80.3%	175,594
51410	Retirement - SDCERA	275,694	275,694	255,990	318,295	303,876	95.5%	14,419
51415	Retirement - OPEB	9,030	9,030	8,155	10,273	8,779	85.5%	1,494
51421	Retirement - OPEB Bonds	-	-	-	-	-	-	-
51450	Payroll Taxes	55,537	55,537	49,377	64,840	51,279	79.1%	13,561
51510-51550	Group Insurance	125,476	125,476	102,010	150,033	96,389	64.2%	53,644
51560	Unemployment Insurance	2,000	2,000	1,000	1,000	258	25.8%	742
		1,254,248	1,254,248	1,132,500	**1,435,895**	**1,176,442**	**81.9%**	**259,453**
Services and Supplies Unit								
Account No.	Description							
52074	Communications	12,961	12,961	6,327	43,824	37,385	85.3%	6,439
52138	General Liability Insurance	12,402	12,402	12,737	12,737	14,194	111.4%	(1,457)
52178	Vehicle - Maintenance	980	980	1,051	980	2,580	263.2%	(1,600)
52182	Vehicle - Fuel	500	500	497	500	539	107.7%	(39)
52270	Memberships	30,248	30,248	27,037	28,994	23,077	79.6%	5,917
52304	Miscellaneous	50	50	50	50	30	60.3%	20
52330	Office: General Support	8,211	8,211	11,461	8,211	9,636	117.4%	(1,425)
52332	Office: Postage USPS	250	250	200	250	314	125.6%	(64)
52334	Office: Design + Printing	15,000	15,000	15,000	22,500	17,211	76.5%	5,289
52336	Office: Books and Guidelines	2,000	2,000	42	-	-	0.0%	-
52338	Office: Drafting/Engineering	50	50	-	-	-	0.0%	-
52344	Office: Supplies and Furnishings	14,600	14,600	11,318	14,600	8,348	57.2%	6,252
52354	Office: County Mail Services	10,000	10,000	9,201	10,000	12,401	124.0%	(2,401)
52370	Professional Services	270,960	270,960	379,047	296,170	518,671	175.1%	(222,500)
52490	Publications and Legal Notices	4,650	4,650	12,500	8,150	11,221	137.7%	(3,071)
52504	Leases: Equipment	6,600	6,600	6,600	6,600	3,955	59.9%	2,645
52530	Leases: Office Space	137,868	137,868	142,239	144,743	149,217	103.1%	(4,474)
52550	Special Expenses: County Overhead	72,466	72,466	30,624	40,000	32,366	80.9%	7,634
52562	Special Expenses: New Hire Checks	-	-	469	-	198	-	(198)
52566	Special Expenses: Minor Equipment	500	500	-	-	413	-	(413)
52602	Computer Training	500	500	-	-	-	0.0%	-
52610	Travel and Training | In County	2,700	2,700	4,500	2,700	5,930	219.6%	(3,230)
52612	Employee Auto	8,700	8,700	7,890	8,700	8,201	94.3%	499
52622	Travel and Training | Out of County	16,050	16,050	13,436	15,050	18,038	119.9%	(2,988)
52721	IT Reimbursements: Network	26,553	26,553	16,748	20,000	15,553	77.8%	4,447
52723	IT Reimbursements: Data Center	29,015	29,015	26,621	33,000	24,254	73.5%	8,746
52725+28	IT Reimbursements: Financial Systems	40,146	40,146	23,881	35,000	23,984	68.5%	11,016

52732	IT Reimbursements: Desktop Computing	21,488	21,488	24,382	28,000	26,759	95.6%	1,241
52734	IT Reimbursements: Help Desk	2,331	2,331	2,002	2,331	1,632	70.0%	699
52750	IT Reimbursements: Catalog Equipment	3,748	3,748	25,937	40,000	5,498	13.7%	34,502
52758	Fleet Reimbursements: Vehicle Lease	2,000	2,000	2,000	2,000	1,986	99.3%	14
		753,528	753,528	813,798	**825,091**	**973,591**	**118%**	**(148,500)**
	OPERATING EXEPENSE TOTAL	2,007,776	2,007,776	1,946,298	**2,260,986**	**2,150,033**	**95.1%**	**110,954**

EXPENSES CONTINUED...

		FY2022-2023			FY2023-2024			
		Adopted	**Amended**	**Actuals**	**Adopted**	**Actuals as of June 30**	**% Expended**	**$ Balance**
Non Operating Unit								
Account No.	Description							
51421	Debt Service: OPEB Obligation Bonds	37,388	37,388	32,781	34,092	30,780	90.3%	3,312
53585	Equipment Depreciation	-	-	-	-	-	-	-
TBD	Grant Award Payments	-	215,500	215,500	450,000	150,462	33.4%	299,538
54955-54961	Fixed Assets	-	-	-	-	-	-	-
		37,388	252,888	248,281	**484,092**	**181,242**	**37.4%**	**302,850**
	EXPENSE TOTALS (Operating + Non Operating)	2,045,163	2,260,664	2,194,579	**2,745,079**	**2,331,275**	**84.9%**	**413,804**

REVENUES

		FY2022-2023			FY2023-2024			
		Adopted	**Amended**	**Actuals**	**Adopted**	**Actuals as of June 30**	**% Collected**	**$ Balance**
Intergovernmental Unit								
Account No.	Description							
45918.1	Apportionments | County	515,479	515,479	515,479	581,074	581,074	100%	-
45918.2	Apportionments | Cities (less SD)	515,479	515,479	515,479	581,074	581,074	100%	-
45918.3	Apportionments | City of San Diego	257,830	257,830	257,830	290,639	290,639	100%	-
45918.4	Apportionments | Special Districts	515,479	515,479	515,479	581,074	581,074	100%	-
		1,804,265	1,804,266	1,804,266	**2,033,861**	**2,033,861**	**100.0%**	**-**
Service Charges Unit								
Account No.	Description							
46234	Application Fees	170,000	170,000	250,000	200,000	194,596	97.3%	(5,404)
		170,000	170,000	250,000	**200,000**	**194,596**	**97.3%**	**(5,404)**
Earnings Unit								
Account No.	Description							
44105	Interest and Dividends	15,000	15,000	5,000	15,000	19,321	128.8%	4,321
		15,000	15,000	5,000	**15,000**	**19,321**	**128.8%**	**4,321**

	OPERATING REVENUE TOTAL	1,989,265	1,989,266	2,059,266	**2,248,861**	**2,247,777**	**99.95%**	**(1,084)**
Non-Operating Unit								
Account No.	Description							
45281	Grant Awards	-	215,500	215,500	450,000	68,882	15.3%	(381,118)
47540	Transfer from Fund Balance	55,898	55,898	55,898	46,218	46,218	100.0%	-
		55,898	271,398	271,398	**496,218**	**115,100**	**23.2%**	**(381,118)**
	REVENUE TOTALS (Operating + Non Operating)	2,045,163	2,260,664	2,330,664	**2,745,079**	**2,362,877**	**86.1%**	**- (382,201)**
OPERATING NET				112,968		97,744		
TOTAL NET				136,085		31,602		

LAFCO FUND BALANCE (unrestricted)	**2023 End of Year**	**2024 Start of Year**	**2024 End of Year**
Committed			
… Stabilization	250,000	250,000	250,000
… Opportunity	500,000	500,000	500,000
Assigned by EO	62,500	125,000	95,927
Unassigned	800,810	738,310	752,767
	1,613,310	1,613,310	1,598,694
% of unassigned balance to operating expenses:	41%	38%	33%
	Audited	Unaduited	Unaudited

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AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

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

SUBJECT: **Results of Protest Hearing | Conditionally Approved "Sky Ranch Change of Organization" Detachment from Helix Water District and Conforming Sphere of Influence Amendment (LAFCO File No. CO23-13)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of the protest hearing held for the "Sky Ranch Change of Organization." This change of organization was conditionally approved by the Commission in May 2024 and involves the detachment of approximately 26.5 acres of inhabited incorporated territory within the City of Santee from the Helix Water District (WD). The noticed protest hearing was held on July 1, 2024. No protest was filed at the close of the hearing. The protest hearing results are being presented for the Commission to formally receive and file.

BACKGROUND

Proposal Summary

San Diego LAFCO received a change of organization proposal initiated by resolution of the Padre Dam Municipal Water District (MWD) in February 2023 seeking Commission approval to detach approximately 26.5 acres of incorporated territory from the Helix WD. The affected territory comprises one contiguous inhabited area involving all and/or portions of 38 legal

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

parcels currently developed with 27 single-family residences as part of the Sky Ranch Subdivision.[1] The proposal's purpose is to eliminate an existing boundary overlap between Padre Dam MWD and Helix WD and in doing so make explicit that Padre Dam MWD is the sole authorized provider of public wastewater services going forward. The Padre Dam MWD will continue providing both water and wastewater service to the affected territory following detachment. A map of the affected territory is provided in Attachment One.

Commission Action

On May 6, 2024, San Diego LAFCO held a noticed public hearing to consider the change of organization proposal filed by the Padre Dam MWD. The Commission proceeded to conditionally approve the change of organization with a conforming sphere amendment and no modifications. The Commission also delegated protest proceedings to the Executive Officer as allowed under statute and local policy.

DISCUSSION

This item is for San Diego LAFCO to receive the results of the protest hearing delegated to the Executive Officer involving the Commission's earlier approval of the subject change of organization proposal as required under the policy. Protest for the proposal opened on Monday, June 10, 2024, and concluded at a hearing held on Monday, July 1, 2024 at the Padre Dam MWD offices. Notice of the hearing was provided in the manner allowed under statute and included publishing a 1/8th page advertisement in the San Diego Union-Tribune as well as voluntary mailed notices to all landowners and registered voters within the affected territory. No written protest was received through the end of the hearing from affected landowners or registered voters. A video recording of the protest hearing is available online at the LAFCO website: www.sdlafco.org.

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

ANALYSIS

San Diego LAFCO's approved detachment of approximately 26.5 incorporated acres within the City of Santee from the Helix WD has cleared its last substantive threshold. All remaining actions necessary to record and enact the change of organization are ministerial.[2]

1 The subject parcels are divided between 21 whole legal parcels and 17 partial legal parcels.

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

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Receive and file the protest results for the "Sky Ranch Change of Organization" (CO23-13) as presented.

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

PROCEDURES

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

On behalf of the Executive Officer,

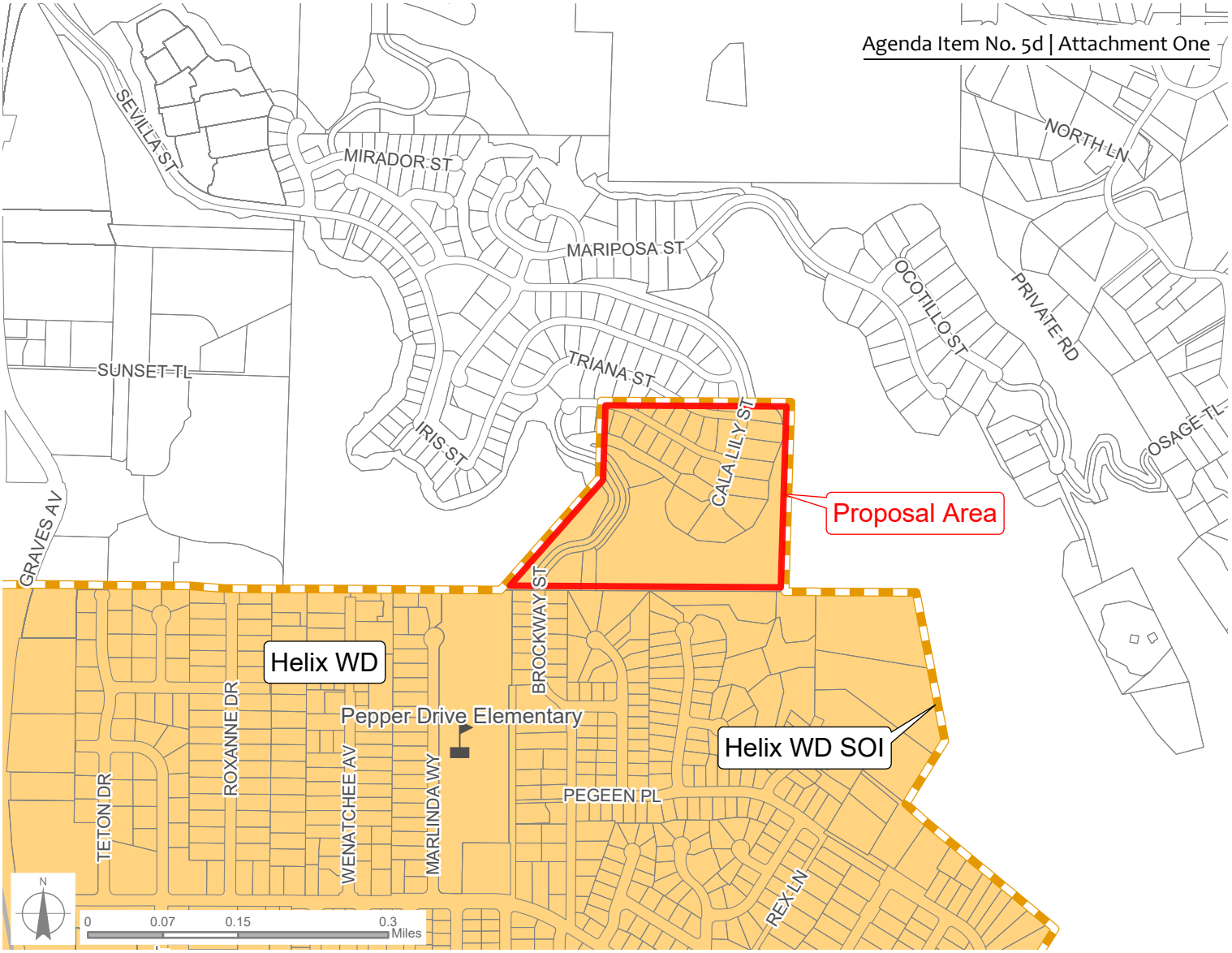
Michaela Peters

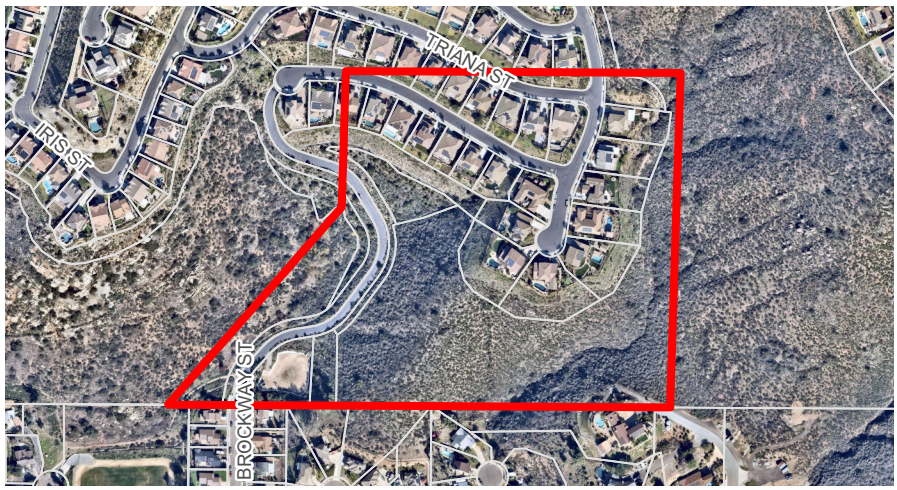
Michaela Peters
Analyst II

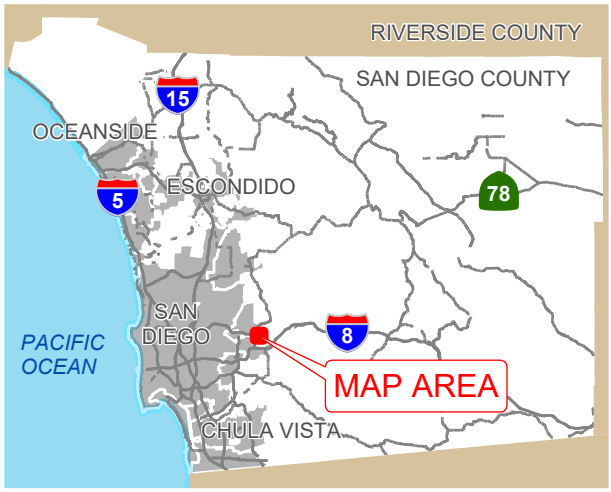
Attachments:

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

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CO23-13 "SKY RANCH CHANGE OF ORGANIZATION" | DETACHMENT FROM HELIX WD AND CONFORMING SPHERE ACTION

- Proposal Area
- Helix WD SOI
- Helix WD

SOI = Sphere of Influence

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

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Created by Dieu Ngu -- 12/5/2023

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The San Diego Union-Tribune

5290929

LOCAL AGENCY FORMATION COMMISSION (LAFCO)
2550 FIFTH AVESTE 725
SAN DIEGO, CA 92103

Legal No. **0011672345**

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA
County of San Diego

The Undersigned, declares under penalty of perjury under the laws of the State of California: That he/she is the resident of the County of San Diego. That he/she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that he/she is not a party to, nor interested in the above-entitled matter; that he/she is Chief Clerk for the publisher of
The San Diego Union-Tribune
a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instruction of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

06/10/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Executed at San Diego, California, on this 10th day of June, 2024.

CGaza
Signature

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

NOTICE OF SCHEDULED PROTEST HEARING

"SKY RANCH CHANGE OF ORGANIZATION"
LAFCO FILE NO. CO23-13

Monday, July 1, 2024 at 11:00 A.M.
Padre Dam Municipal Water District
August A. Caires Customer Service Center Boardroom
300 Fanita Parkway, Santee CA, 92071

The above-listed change of organization was initiated by resolution of the Padre Dam Municipal Water District and involves the detachment of 26.5 acres of incorporated territory within the City of Santee from the Helix Water District. The purpose of the proposal is to eliminate an existing overlap between Padre Dam Municipal Water District and Helix Water District and in doing so better align the agencies' respective wastewater service areas consistent with their current and planned infrastructure. The Padre Dam MWD will continue providing both water and wastewater service to the affected territory following detachment. The proposal was conditionally approved by San Diego LAFCO at a noticed public hearing on May 6, 2024. A summary description of the area making up the affected territory follows.

The affected territory comprises one contiguous area containing all and/or portions of 38 legal parcels. Within the affected territory there are 27 existing single-family residences and related improvements – including the public right-of-way of segments of Cala Lily Street, Triana street, and Monticello Street as well as dedicated open space – as part of the Sky Ranch Subdivision.

Additional details of the proposal – including a map of the affected territory – is available online at www.sdlafco.org by accessing the "Meetings" page and staff reports for the May 6, 2024 meeting.

Commencing on Monday, June 10, 2024, San Diego LAFCO will accept written protests filed by landowners and/or registered voters within the affected territory up and until the close of the protest hearing set for **Monday, July 1st, 2024** at the above listed time and place. Written protest filed before the formal hearing may be submitted by mail/courier, facsimile, or email so long as it is received by LAFCO by 5:00 p.m. on Sunday, June 30, 2024. Otherwise, all protests must be submitted in person at the noticed hearing. Each written protest shall state whether it is made by a qualifying landowner or registered voter. It shall also identify the property location or assessor's parcel number(s) (landowner) or residence address and be signed and dated. All signatures must be dated after the publication of the protest hearing notice.

Protest Evaluation
LAFCO staff will work with the County of San Diego Assessor and Registrar of Voters in evaluating protest received on the change of organization. The following thresholds apply:

- 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 change of organization 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 in the affected territory file written protests the change of organization will be ordered subject to an election.

- 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 change of organization will be terminated.

Protest forms for landowners and registered voters are available at www.sdlafco.org. All questions should be directed to LAFCO Analyst II Michaela Peters by telephone at 619-321-3380 or by email at michaela.peters@sdcounty.ca.gov.

PUBLISHED: June 10, 2024 (SDUT 11672345)

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AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

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

SUBJECT: **Proposed "Keys Project LLC – Montemar Drive Change of Organization" | Annexation to the San Diego County Sanitation District (LAFCO File No. CO24-01)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal initiated by a landowner petition (Keys Project LLC). The proposal seeks Commission approval to annex approximately 1.8 acres of unincorporated territory within Spring Valley to the San Diego County Sanitation District (County SD). The affected territory as submitted is presently developed with one uninhabited single-family residence and adjacent public right-of-way along Montemar Drive. The purpose of the proposal is to make public wastewater service available to the affected territory and in doing so accommodate the construction of two single-family residences via an urban lot-split as allowed under Senate Bill 9 (SB9). The affected territory lies within the existing County SD sphere of influence. Staff recommends conditional approval of the proposal as submitted along with waiving protest proceedings. It is also recommended the Commission find the project is exempt under CEQA Guidelines Section 15319(b).

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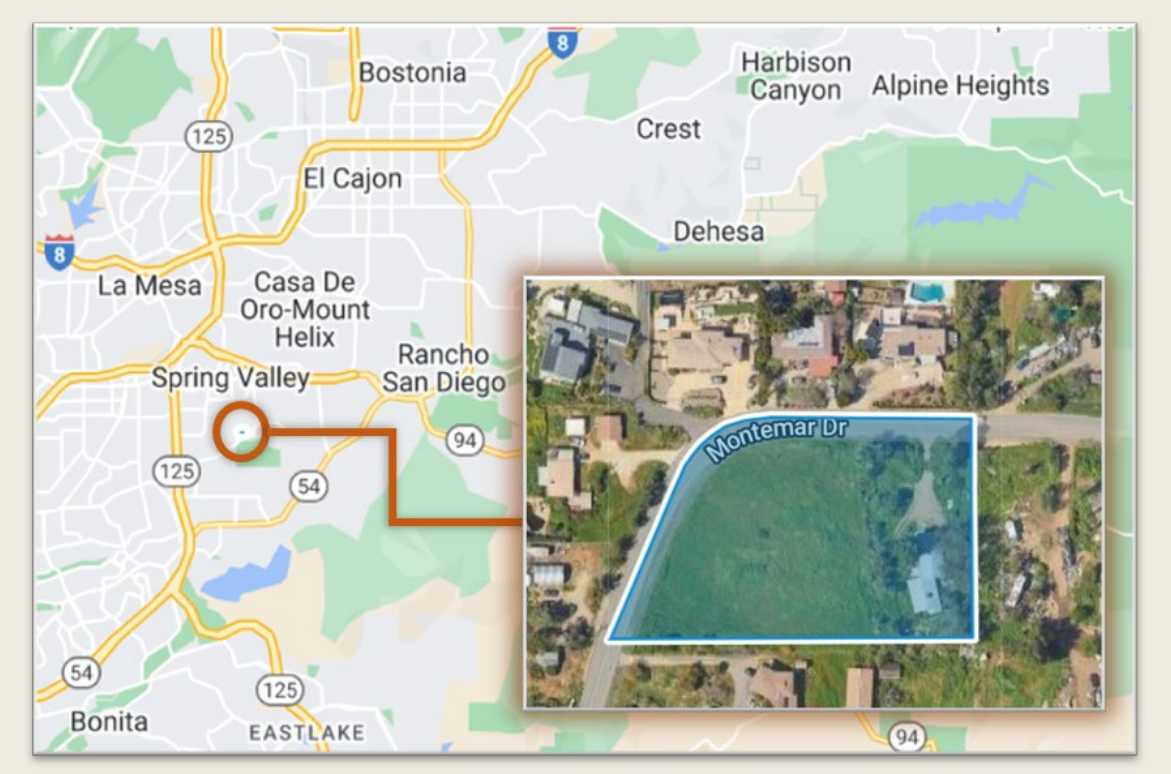
BACKGROUND

Applicant Request

San Diego LAFCO has received a change of organization proposal initiated by an interested landowner (Keys Project LLC) requesting approval to annex approximately 1.8 acres within the unincorporated community of Spring Valley to the County SD. The affected territory as submitted comprises one contiguous area containing an existing uninhabited single-family residence as well as a segment of the public right-of-way along Montemar Drive. The subject parcel is assigned a situs address of 9421 Montemar Drive and identified by the County of San Diego Assessor's Office as 504-242-01.

Regional Setting

The affected territory lies in eastern San Diego County within the unincorporated community of Spring Valley; generally lies east of Interstate 125, south of State Route 94, and north of State Route 54. All of the affected territory lies within County Supervisorial District No. 4 (Monica Montgomery Steppe), Assembly District No. 79 (Akilah Weber, M.D.), and Senate District No. 18 (Steve C. Padilla). An aerial map of the affected territory and its regional setting follows with a more detailed map – including showing the subject parcel and County SD's jurisdictional boundary – provided as Attachment One.



Subject Agency

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

- **County SD** is a dependent special district governed by the County of San Diego and serves as a successor agency to a multi-agency consolidation completed by LAFCO in 2010. The lone active service function is wastewater (collection, treatment, and disposal classes). The jurisdictional boundary spans approximately 46 square miles – or 29,571 acres – and is divided between seven distinct service areas – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, Spring Valley, and Winter Gardens – with a combined LAFCO estimated resident population of 141,950. The affected territory subject to the proposal before LAFCO lies in Spring Valley, which is the largest of the seven service areas with an estimated resident population of 88,955. Wastewater collected within Spring Valley flows to the City of San Diego's adjacent collection system and thereafter to the Point Loma Treatment Facility before discharge into the Pacific Ocean; the latter operated by the Metro Wastewater Joint Powers Authority with the District as one of the signatories. LAFCO established a sphere of influence for County SD in 2010. The sphere was most recently reviewed and affirmed in 2019 with a "larger-than-agency" designation and marked by the inclusion of approximately 9,300 non-jurisdictional acres. The County SD's audited net position is $148.0 million as of June 30, 2023, with an unrestricted balance of $68.9 million. This includes an ending cash balance of $67.2 million. The ending net position reflects an overall change during the three last audited years of 19%.

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of nine local agencies directly subject to San Diego LAFCO's planning and regulatory responsibilities. These agencies qualify as "affected agencies" relative to the proposed change of organization and listed below.[2]

- County Service Area No. 135 (Regional Communications & Fire)
- County Service Area No. 128 (San Miguel Park District)
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority
- San Miguel Consolidated Fire Protection District

1 State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
2 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.

The affected territory also lies within the following school and college districts, and accordingly have received notice of the proposal as part of the administrative review: Grossmont Union High School District; La Mesa-Spring Valley School District; and Grossmont – Cuyamaca Community College District.

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications to the physical footprint – the change of organization proposal to annex the affected territory to County SD. The Commission may also consider applying approval conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion on purpose, current and planned land uses, and Commission focus follows.

Proposal Purpose

The purpose of the proposed change of organization before San Diego LAFCO is to extend public wastewater to the affected territory and in doing so accommodate the planned development of two single-family residences as allowed under County zoning. The timing of the proposal follows the applicant receiving approval of a Tentative Parcel Map (PDS2024-TPM-21462) to proceed with the planned development with anticipated construction occurring in the next 12 to 24 months.

Current and Planned Land Uses

The affected territory is entirely unincorporated and under the land use authority of the County of San Diego and its adopted policies. Specific development policies for the affected territory are delegated in the County General Plan. The present land use designation applied to the affected territory is Semi Rural-Residential (SR-1), which allows up to one dwelling unit per acre. The current zoning assignment produces a maximum density of two dwelling units divided between each legal parcel having a single-family residence (SFR) and accessory dwelling unit (ADU). Given the exception for a lot split under SB9, the total maximum density for the affected territory becomes four dwelling units and divided between each legal parcel having one SFR and one ADU.

Commission Focus

San Diego LAFCO's current sphere of influence designation for the County SD includes the affected territory and can readily accommodate the proposed annexation without amendment. This existing sphere determination narrows the Commission's consideration to two central and sequential policy items. These policy items ultimately take the form of determinations and orient the Commission to consider the stand-alone merits of the (a) timing of the change of organization and (b) whether discretionary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in and outside LAFCO law as detailed.

ANALYSIS

San Diego LAFCO's analysis of the proposed change of organization is divided into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section relative to both statutory and local policy considerations. The second subsection considers other germane issues and is highlighted by applicability under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 |
Change of Organization Timing

San Diego LAFCO's consideration of the proposed change of organization's timing draws on analyzing baseline factors required in statute as well as applicable policies set by the Commission. Most of the baseline factors in statute focus on disclosing and otherwise addressing compatibility issues with external goals and policies of other state, regional, and local agencies as well as assessing the ability of subject agencies to provide services going forward.[3] Applicable local policies prompted for consideration are headlined by L-107 and its attention to disclosing and/or addressing any known or perceived jurisdictional disputes.

An analysis of these two related timing factors follows.

- Timing Factor No. 1:
  Baseline Considerations: Regional Policies + Service Relationships

  State law prescribes the mandatory consideration of certain and multifaceted factors anytime LAFCOs consider jurisdictional changes. These factors range in substance from disclosures – such as the affected territory's current land uses, assessed values, registered voter counts, and so on – to discretionary analyses. This latter category is highlighted by evaluating the proposed detachment's relationship to community needs as well as the service capacities and related financial resources of the receiving agency. A summary of key conclusions generated in reviewing these discretionary matters for the proposed change of organization regarding (a) service needs, (b) service availability and capacities, and (c) related financial considerations follow.

  - With respect to **service needs**, the affected territory's planned use to accommodate two single-family residences merits public wastewater services. Annexation of the affected territory to County SD for the purpose of making available public wastewater service accommodates this need and serves as a preferred alternative to operating one or more onsite septic systems.

  - With respect to **service availability and capacities,** County SD has available and sufficient wastewater capacities to accommodate the projected service demands in the affected territory at its planned uses. Specifically, an existing County SD

3 Reference to Government Code Section 56668.

wastewater main is located within the public right-of-way of Montemar Drive and can readily serve the affected territory through the extension of an approximate 100-140-foot private lateral connection. Based on planned developments, to include the construction of two single-family residences, it is projected the maximum average day wastewater flow generated within the affected territory is 480 gallons. [4] This projected amount can be readily accommodated by County SD and represents .003% of its available treatment and discharge capacity remaining within its wastewater system.[5] Ultimate buildout based on current zoning involves a total of four units (two single family residences and two accessory dwelling units) and would notionally increase the average day demand to 960 gallons and take up .007% of the available and remaining capacity for County SD.

- With respect to **related financial considerations**, County SD has adequate financial resources and related administrative controls to provide wastewater services to the affected territory in support of its planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of recent audited statements, which shows the County SD having established high liquidity (short-time financial standing) and capital (long-term financial standing) levels via an ending current ratio of 109.8 to 1 and debt ratio of 0.43% respectively, at the end of 2022-2023.

- Timing Factor No. 2:
  Consideration of Policy L-107

San Diego LAFCO adopted L-107 in May 2010 to require all applicants to disclose jurisdictional disputes or related items that are associated with their proposal filings with additional details footnoted.[6] No jurisdictional disputes have been disclosed by County SD in filing the change of organization proposal. LAFCO staff, similarly, has not identified any disputes or related concerns involving other local agencies in the administrative review.

CONCLUSION |
MERITS OF CHANGE OF ORGANIZATION TIMING

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

[4] Based on a per unit daily wastewater demand estimate of 240 gallons.
[5] County SD's current average day wastewater flow is 11.0 million gallons while its overall capacity is 25.0 million gallons.
[6] The Executive Officer retains discretion to determine the extent of consultation needed.

Item No. 2 |
Modifications and Terms

No modifications to the submitted change of organization have been identified by San Diego LAFCO staff meriting Commission consideration at this time. This includes confirmation the annexation of the affected territory would not generate any corridors and/or otherwise illogical jurisdictional features for the subject agency.

CONCLUSION |
MODIFICATIONS AND TERMS

No modifications to the proposal appear warranted. Standard approval terms are recommended and include receipt of all remaining payments associated with the processing of the proposal by the Commission through recordation.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. Staff has confirmed the County Board of Supervisors has adopted a master agreement to govern the tax exchange for the proposed change of organization. The master agreement specifies no transfer of property taxes would occur following annexation of the affected territory to County SD.

Environmental Review

San Diego LAFCO is obligated under CEQA to assess whether environmental impacts would result from activities approved under the Commission's authority, either as a lead or responsible agency. The Commission is tasked with making two distinct findings under CEQA in consideration of the proposed change of organization. Staff's analysis follows.

- San Diego LAFCO serves as lead agency under CEQA for the change of organization. It is recommended the Commission find these actions a project under CEQA but exempt from further review under State CEQA Guidelines Section 15319(b). Staff believes this exemption appropriately applies given affected territory's planned development is less than three residential units as allowed under current zoning.

Protest Proceedings

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

RECOMMENDATION

Staff recommends conditional approval of the change of organization proposal as submitted along with standard terms. This recommendation is consistent with the action outlined as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):
Adopt the attached draft resolution conditionally approving the change of organization proposal as submitted (without modifications) along with standard approval terms, waiver of protest proceedings, and finding under CEQA.

Alternative Two:
Continue consideration to the next regular meeting.

Alternative Three:
Disapprove the change of organization proposal with direction to staff to return at the next regular meeting with a conforming resolution for adoption.

PROCEDURES FOR CONSIDERATION

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

On behalf of the Executive Officer,

Michaela Peters

Michaela Peters
Analyst II

Appendices:

A) Analysis Proposal Review Factors

Attachments:

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

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

APPENDIX A
Government Code Section 56668
Proposal Review Factors

a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, in the next 10 years.

The affected territory as submitted comprises an approximate 1.8-acre parcel within the unincorporated community of Spring Valley. The purpose of the proposal is to make public wastewater available to the property and in doing so accommodate the planned development of two single-family residences via an urban lot split (SB9). Additional development in the surrounding area is expected over the next 10 years. Overall, the affected territory's total assessed *land* value is calculated to be $289,084. (emphasis).

b) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

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

- **Extending Public Wastewater to Affected Territory**
  Connection to County SD can be made available through an approximate 100-140-foot private lateral extension of an existing wastewater main located within the public right-of-way on Montemar Drive. Based on planned developments, including the construction of two single-family residences, it is projected the maximum average day wastewater flow generated within the affected territory is 480 gallons. This projected amount can be readily accommodated by County SD and represents .003% of its available treatment and discharge capacity remaining within its wastewater system. Ultimate buildout based on current zoning involves a total of four units (two single-family residences and two accessory dwelling units) and would notionally increase the average day demand to 960 gallons and take up .007% of the available and remaining capacity for County SD.

c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

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

d) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies/priorities set forth in G.C. Section 56377.

Approving the proposed change of organization and annexation to County SD would facilitate the orderly expansion of the District's jurisdictional boundary consistent with the sphere of influence. The affected territory does not contain "open space" as defined under LAFCO law and no conflicts exist under Government Code Section 56377.

Additional analysis concerning conformance with germane Commission policies follows.

- San Diego LAFCO Policy L-107 requires applicants to disclose and address potential jurisdictional issues associated with their proposals and if applicable requires a consultation process with affected agencies, interested parties, or organizations to help discuss and potentially remedy concerns, unless waived by the Executive Officer. No jurisdictional disputes or related concerns were identified or disclosed by the applicant, affected agencies, or interested parties in the review of the proposal.

e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not presently contain "prime agricultural land", or "agricultural land" as defined under LAFCO law. Specifically, the affected territory does not contain lands currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the proposal and annexation to County SD would not adversely affect the physical or economic well-being of agricultural lands.

f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment, the creation of islands or corridors of unincorporated territory, and other similar matters.

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds that appear consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the map and geographic description by the County Assessor's Office and

address any modifications enacted by the Commission. No irregular or otherwise illogical boundary features would be generated from proposal approval.

g) A regional transportation plan adopted pursuant to Section 65080.

The proposed change of organization would extend wastewater service to the planned construction of two single-family residences consistent with current zoning. The proposal and its anticipated outcomes do not generate any known conflicts with *San Diego Forward*, the regional transportation plan adopted by the San Diego Association of Governments.

h) Consistency with the city or county general and specific plans.

See the agenda report.

i) The sphere of influence of any local agency affected by the proposal.

The affected territory lies entirely within the existing sphere of influence designated for the County SD.

j) The comments of any affected local agency or other public agency.

Notice of the submitted change of organization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on July 29, 2024.

k) The ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and reviewed as part of this proposal indicates the County SD has overall sufficient and available financial resources and administrative controls therein relative to serving the affected territory without adversely impacting existing constituents. This statement is supported by the following factors.

- County SD's last audit covers 2022-2023 and shows the County finished with high liquidity levels with an agency-wide current ratio of 109.8 (i.e., $109.8 in current assets for every $1.00 in current liabilities).

- County SD finished 2022-2023 with good capital levels and marked by a low debt ratio of 0.43% (i.e., only $43.00 out of every $100.00 in net assets are financed).

- County SD finished 2022-2023 with an overall total margin of 25.9%.

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

The affected territory's existing residential uses are presently within and connected to the Helix WD for water service. Approval of the proposed change of organization would not affect the timely availability of water supplies to the affected territory.

m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposed change of organization would not impact any local agencies in accommodating their regional housing needs.

n) Any information or comments from the landowners, voters, or residents.

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

o) Any information relating to existing land use designations.

See above analysis for (h).

p) The extent to which the proposal will promote environmental justice.

The change of organization is expected to have a positive impact on environmental justice by enhancing wastewater and integrated public safety services within the affected territory and for any groups that are susceptible to pollution burdens and their effects. Consideration of existing environmental justice factors within the affected territory draws on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0).

Two composite percentile rankings for the affected territory are generated within this analysis and involve (a) pollution burdens and (b) susceptible population to pollution burdens relative to all census tracts in California.

- The affected territory's **composite pollution burden ranking** falls in the 4th percentile with an internal range between 0 and 49 percentiles. Zero pollution burden measurements exceed the 50th percentile which are considered relatively high, however Air Quality (PM 2.5) fall just under at the 49.88 percentile.

- The affected territory's **composite susceptible population** ranking falls in the 33rd percentile with an internal range between 2 to 74 percentiles. One of these at-risk groups exceeds the 50th percentile and considered significant in magnitude and involves individuals with unemployment.

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

Census Tract No. 6073013905
Pollution Burdens and Susceptible Population
(Source: California Environmental Protection Agency and SD LAFCO)

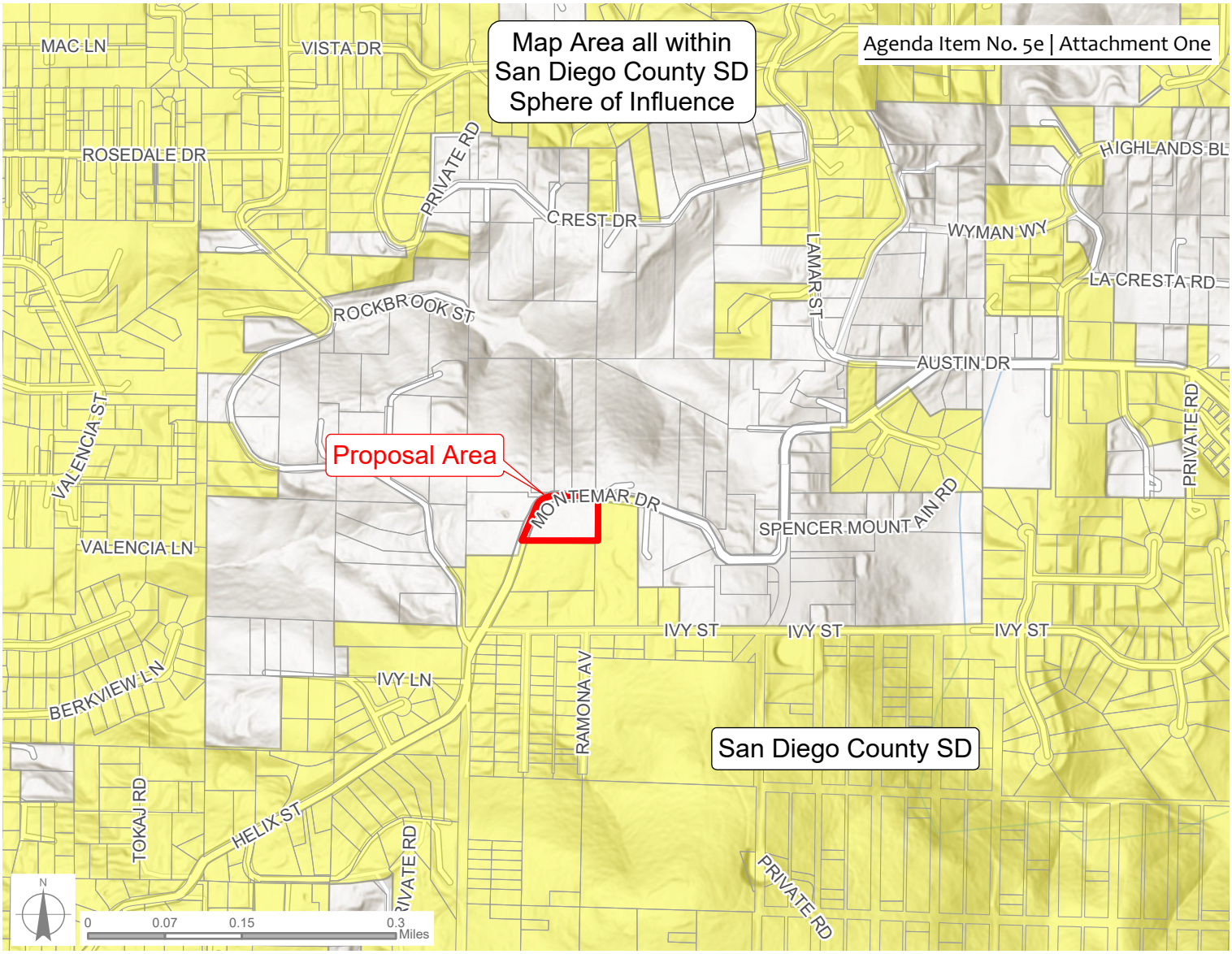
	Affected Territory + Surrounding Lands
Census Tract No.	6073013905
Estimated Population	3,897
Pollution Burden	Weighted Percentile
… Percentile	4.60
Indicator | Air Quality: Ozone	46.99
Indicator | Air Quality: PM 2.5:	**49.88**
Indicator | Air Quality: Diesel PM:	7.62
Indicator |Pesticides:	0.00
Indicator | Toxic Releases:	37.20
Indicator |Traffic:	23.79
Indicator | Drinking Water Contaminants:	43.69
Indicator | Lead in Housing:	23.96
Effects | Cleanup Sites:	22.62
Effects | Groundwater Threats:	0.0
Effects | Hazardous Waste:	0.0
Effects | Impaired Water:	12.45
Effects | Solid Waste:	0.0
Sensitive Population	Weighted Percentile
… Percentile	33.33
Population | Asthma:	7.50
Population | Low Birth Weight:	2.49
Population | Cardiovascular Disease:	48.63
Population | Education:	16.21
Population | Linguistic Isolation:	33.31
Population | Poverty:	20.38
Population | Unemployment:	**74.10**
Population | Housing Burden:	39.70

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

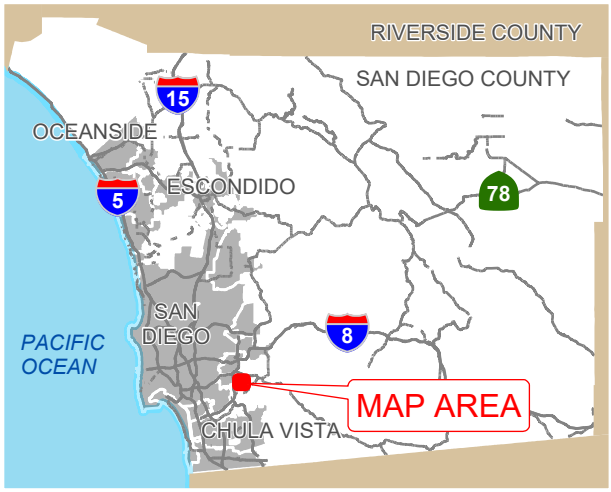
The County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding, and earthquakes. The affected territory lies within a "No Designation" fire hazard zone and a "Low-Level' earthquake zone.

r) Section 56668.3(a)(1) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and the territory proposed to be annexed to the district.

Approval of the change of organization would be in the best interest of the current and future landowners and/or visitors of the affected territory by providing access to reliable public wastewater service going forward.







CO24-01 "KEYS PROJECT LLC - MONTEMAR DRIVE CHANGE OF ORGANIZATION" | ANNEXATION TO SAN DIEGO COUNTY SD

Proposal Area
San Diego County SD

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

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Created by Dieu Ngu -- 5/1/2024

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RESOLUTION NO. _____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

"KEYS PROJECT LLC – MONTEMAR DRIVE CHANGE OF ORGANIZATION"
ANNEXATION TO THE SAN DIEGO COUNTY SANITATION DISTRICT
LAFCO FILE NO: CO24-01

WHEREAS, on January 16, 2024, interested landowner – Keys Project LLC (Seamus Garland) – filed a petition to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission", pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application before the Commission seeks approval of a change of organization of approximately 1.8 acres of unincorporated territory in the County of San Diego involving annexation to the San Diego County Sanitation District; and

WHEREAS, the affected territory as proposed includes one contiguous legal parcel consisting of one uninhabitable single-family residence and identified by the County of San Diego's Assessor's Office as 504-242-01; and

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

WHEREAS, the Commission's Executive Officer has reviewed the proposed change of organization and prepared a report with recommendations; and

WHEREAS, the Executive Officer's report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the proposal on August 5, 2024;

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

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

1. The public meeting was held on the date set therefore, and due notice of said meeting was given in the manner required by law.

2. At the public meeting, the Commission considered the Executive Officer's report.

3. With respect to considering the effects of the proposed change of organization under the California Environmental Quality Act (CEQA), the Commission's makes the following findings:

a) San Diego LAFCO serves as lead agency for assessing impacts for the proposal and requested boundary change under CEQA given its initiation by landowner petition. The Commission finds the proposal qualifies as a project under CEQA but is exempt from further review under State Guidelines Section 15319(b). Staff believes this exemption appropriately applies given affected territory's planned development is less than three residential units as allowed under current zoning.

4. The Commission APPROVES the change of organization without modifications and subject to conditions as provided. Approval involves all of the following:

    a. Annexation of the affected territory to the San Diego County Sanitation District is shown in "Exhibit A-1" and described in "Exhibit A-2."

6. The Commission CONDITIONS all approvals on the following terms being satisfied by August 5, 2025 unless an extension is requested in writing and approved by the Executive Officer:

    a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.

    b) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Divisions.

    c) Submittal to the Commission of the following payments:

        - A check made payable to LAFCO in the amount of $50.00 for the County of San Diego-Clerk Recorder to reimburse for filing a CEQA Notice of Exemption consistent with the finding in the resolution.

        - A check made payable to the State Board of Equalization for processing fees in the amount of $350.00.

7. The Commission assigns the proposal the following short-term designation:
    "Keys Project LLC – Montemar Drive Change of Organization".

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

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

10. The San Diego County Sanitation District is a registered-voter district.

11. The San Diego County Sanitation District utilizes the County of San Diego assessment roll.

12. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the San Diego County Sanitation District as provided under Government Section 57328.

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

14. As allowed under Government Code Section 56107, the Commission authorized the Executive Officer to make non-substantive corrections to the resolution to address any technical defects, errors, irregulates, or omissions.

15. The Executive Officer is hereby authorized and directed to transmit copies of this resolution as provided in Sections 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 Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on August 5, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

_____
Keene Simonds
Executive Officer

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EXHIBIT A-1
VICINITY MAP OF AFFECTED TERRITORY

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EXHIBIT A-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

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PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

SAN DIEGO LAFCO
JAN 22 2024
RECEIVED

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 9421 Montemar Drive into the local sewer district.

2. The reason(s) for the proposal are: Annex 9421 Montemar Drive into the local sewer district for the possible construction of future homes.

Seamus Garland
Proponent's Name (print)

Signature of proponent or representative

[redacted]
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.

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AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

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

SUBJECT: **Progress Report on the Annual Workplan and Proposed Amendments**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on the commencement of the adopted workplan and the 30 projects set for 2024-2025 as well as consider specific amendments. One-third of all projects are underway through the first month with the majority involving high-priority activities that have been forwarded over from the prior fiscal year. A notable exception involves initiating a new municipal service review on SANDAG and its regional housing, transportation, and climate adaption functions. Amendments are separately proposed to account for changes in circumstances following the workplan adoption and headlined by adding a still-active municipal service review on the Oceanside region from the prior fiscal year while removing participation in the CALAFCO Legislative Committee. It is recommended the Commission formally receive the progress report and approve the proposed amendments as presented.

BACKGROUND

San Diego LAFCO's current fiscal year workplan was adopted at a noticed public hearing held in May 2024. It includes 30 special projects that are divided into two distinct categories – statutory and administrative – along with priority assignments set by the Commission. No amendments have been approved to the workplan as of date.

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

DISCUSSION

Progress Report & Proposed Amendments

This item provides San Diego LAFCO with its regular progress report on accomplishing special projects calendared in the adopted workplan for 2024-2025. A full status listing is attached and – among other items – shows exactly one-third of all projects are underway, including six of the ten projects set as high priorities by the Commission. This includes continuing work on the two highest priorities set by the Commission involving municipal service reviews covering wholesale water service providers (County Water Authority and Metropolitan Water District of Southern California) and local healthcare districts. Work on the third highest priority in the workplan is also underway and involves starting a new municipal service review on the San Diego Association of Local Governments (SANDAG).

A limited number of amendments are also proposed and marked by adding back a yet to be completed municipal service on the Oceanside region from the prior fiscal year and in doing so accommodate additional outreach as requested by the affected agencies. It is proposed this project reassume placement as a high priority at No. 10 with the current holder – policy review on audit and accounting procedures – moving down one with all others thereafter similarly resetting. A separate amendment to remove participation in the CALAFCO Legislative Committee (No. 24) is proposed to keep the total number of projects at 30.

ANALYSIS

San Diego LAFCO is generally proceeding as planned in commencing the adopted workplan and this includes continuing activities associated with the two highest priorities projects involving municipal service reviews on wholesale water providers and healthcare districts. Staff has also commenced work on a new high priority project involving SANDAG and marked by entering into a consultant agreement with the William Fulton Group. The proposed amendments as detailed above similarly sync the Commission's activities and resources to changing conditions following the initial workplan adopted in May 2024. Most notably, this includes adding back a municipal service review on the Oceanside region as a high priority and in doing so account for the additional outreach being performed that has pushed the document's expected completion into the current fiscal year. A separate amendment to remove an otherwise low priority project involving staff's participation in CALAFCO's Legislative Committee keeps the total project number at 30 while readily syncing with CALAFCO's recent decision to transition to a new Board-led process.

RECOMMENDATION

It is recommended San Diego LAFCO receive and file the progress report on the adopted workplan consistent with practice and approve the proposed amendments as detailed. These recommendations are covered in Alternative Action One in the proceeding section.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

(a) Receive and file the progress report on the adopted workplan.

(b) Amend the adopted workplan as follows:

i. Add a new workplan project involving a municipal service review on the Oceanside region at No. 10 while renumbering all remaining projects thereafter.

ii. Remove the workplan project involving staff's participation in the CALAFCO Legislative Committee (No. 24).

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

Alternative Three:
Take no action.

PROCEDURES

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

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) 2024-2025 Workplan Status

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ADOPTED WORKPLAN FOR FY2024-2025
Status as of July 29, 2024

Priority	Level	Type	Project	Description	Status
Ongoing	…	Statutory	Applicant Proposals and Requests	Prioritize resources to address applicant proposals and related requests	
Ongoing	…	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work	
Ongoing	…	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with regular updates to the Commission	
1a	High	Statutory	MSR | Wholesale Water Service Providers	Continue macro MSR on wholesale water suppliers – CWA (comprehensive) + MET (abbreviated)	
1b	High	Statutory	MSR | Healthcare Districts: Part I	Continue macro MSR of the four healthcare districts in San Diego County	
3	High	Statutory	MSR | SANDAG	Initiate agency-specific MSR of SANDAG (housing, transportation, + related functions)	
4	High	Administrative	Transition to Online Accounting	Complete transition to QuickBooks accounting from desktop to online platform	
5	High	Statutory	MSR | Carlsbad Region	Complete scheduled MSR covering the City of Carlsbad, Carlsbad MWD, + Leucadia WWD	
6	High	Administrative	SALC Planning Grant 2.0	Complete a two-year grant to inform + enhance small farming operations in San Diego County	
7	High	Administrative	RCD Ad Hoc Committee: Part II	Complete Commission's approved scope of work focused on long-term service/boundary true ups	
8	High	Statutory	MSR | Central 78 Corridor Region: Part	Complete cities portion of regional MSR (San Marcos + Vista)	
9	High	Statutory	MSR | Central 78 Corridor Region: Part II	Complete districts portion of regional MSR (San Marcos and Vista FPDs, Vista ID, Vallecitos WD, + Buena SD)	
10	High	Administrative	Policy Review | Audit and Accounting	Prepare update to modernize and expand audit + accounting policies; address auditor recommendations	
11	Medium	Administrative	Staffing and Professional Development	Fill all 8.0 budgeted positions + establish service day program to advance professional development	
12	Medium	Administrative	Policy Review | Personnel: Part III	Prepare update to modernize and harmonize all LAFCO job descriptions	
13	Medium	Administrative	Custom Project Management Tracker	Work with outside consultant to develop and implement custom online project tracking platform	
14	Medium	Statutory	Special Districts Advisory Committee	Provide administrative support to the SDAC and hold no less than three formal meetings in FY	
15	Medium	Administrative	White Paper | Homeless Services	Evaluate scope-scale of governmental homeless services in SD County + potential governance options	
16	Medium	Statutory	Cities Advisory Committee	Provide administrative support to the CAC and hold no less than two formal meetings in FY	
17	Medium	Statutory	MSR | Encinitas Region	Complete regional MSR covering the City of Encinitas + San Dieguito WD et al.	
18	Medium	Administrative	Prepare Outside Audit + Enhancements	Complete outside audit of financial statements for FY24 with supplemental information for added value	
19	Medium	Statutory	MSR | Del Mar-Solana Beach Region	Complete regional MSR covering the Cities of Del Mar and Solana Beach + Santa Fe ID et al.	
20	Medium	Administrative	Website Refresh + Content Expansion	Proceed with a website refresh and content expansion with multi-media enhancements	

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

Complete | Near Complete | Underway | Pending

5g

AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Sellen, Commission Clerk

SUBJECT: **Proposed Fund Balance Designations for 2024-2025**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will perform its annual task under policy to review and make fund balance designations for the new fiscal year. The total spendable cash fund balance as of July 1, 2024 was $1,732,010. It is proposed the Commission reset the designations to largely match the preceding fiscal year and marked by continuing to set $750,000 aside as committed monies for opportunity or stabilization uses. A change is proposed to lower the assigned monies set aside to the Executive Officer to cover specific expenses under policy from $125,000 to $100,000. The remaining monies –$882,010– would be left unassigned and meet the Commission's 33.3% operating reserve standard.

BACKGROUND

Policies on the Fund Balance

San Diego LAFCO's Fiscal Policy 101 addresses the Commission's responsibilities to provide uniform reporting of fund balances consistent with the Government Accounting Standards Board's Statement 54 ("GASB 54"). This includes several discretionary standards to manage the fund balance relative to meeting statutory requirements to plan and regulate local agency boundaries and service areas in San Diego County. Compliance rests on annually reviewing and designating the spendable fund balance consistent with the following standards.

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Jo MacKenzie, Vista Irrigation
David Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
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Committed Monies
These monies are divided between stabilization and opportunity uses and are subject to first satisfying the minimum reserve requirement. Stabilization uses apply to absorbing unexpected costs or shortfalls. Opportunity use applies to long-term efficiencies and cost savings.[1] Commission approval is needed to access committed monies.

Assigned Monies
These monies are available to the Executive Officer at his or her discretion to cover special legal services, applicant fee reductions and/or waivers, and costs necessary to advance a high-priority project under the adopted workplan. These monies are subject to first satisfying the minimum reserve requirement and cannot exceed $125,000.[2]

Unassigned Monies
These monies serve as all-purpose reserves and must equal no less than 33.3% of budgeted operating expenses. The Commission shall similarly limit unassigned monies to no more than six months or 50.0% of budgeted operating expenses. Commission approval is needed to access unassigned monies.

DISCUSSION

This item is for San Diego LAFCO to perform its annual review and make discretionary designations involving the spendable portion of the fund balance for 2024-2025 totaling $1,732,010. This review is premised on the Executive Officer attesting all fund balance monies are currently spendable and not subject to external constraints or purposes. The proposed designations for the current fiscal year follow.

- It is proposed the Commission largely reset the fund balance designations from the preceding fiscal year and marked by setting $750,000 as committed monies. A change is proposed to decrease assigned monies available to the Executive Officer from $125,000 to $100,000. The remaining balance – $882,010 – would be unassigned and meet the 33.3% operating reserve standard. (The adopted operating budget total in 2024-2025 totals $2,428,138 with one-third of this amount equaling $808,570.)

Classification	Approved FY2022	Approved FY2023	Approved FY2024	Proposed FY2025
Committed				
… Opportunity	500,000	500,000	500,000	500,000
… Stabilization	250,000	250,000	250,000	250,000
Assigned	125,000	62,500	125,000	100,000
Unassigned	762,178	735,065	762,356	882,010
	1,637,178	1,547,565	1,637,356	1,732,010
Unassigned % to Operating Budget	46.5	35.9	33.7	36.3

[1] Committed monies for stabilization and opportunity uses are deposited with the County Treasurer's Office in dedicated accounts.
[2] Assigned monies can be drawn from the Executive Officer to cover authorized expenses by transferring monies from the fund balance into the operating budget and in doing so ensuring other budgeted expenses are funded.

ANALYSIS

San Diego LAFCO remains in good financial condition and is marked by a healthy fund balance total of $1,732,010 as of the start of the new fiscal year. This balance first and foremost ensures a sufficient amount of unassigned monies are available for cash-flow purposes under policy to meet no less than four months of budgeted operating costs. The balance and the remainder also – pertinently – allow the Commission to continue to set aside $750,000 in committed monies to invest in long-term cost-savings opportunities and/or stabilize against unexpected costs during the fiscal year.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed fund balance designations for 2024-2025 and amendments consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Approve fund balance designations in 2024-2025 as follows:

a) Designate $500,000 in committed – opportunity monies.
b) Designate $250,000 in committed – stabilization monies.
c) Designate $100,000 in assigned monies.
d) Designate all remaining monies as unassigned.

Alternative Two:
Continue 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 unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

1) LAFCO Fiscal Policy 101

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ADMINISTRATIVE POLICY F–101

Subject

SAN DIEGO LAFCO FUND BALANCE

Purpose

This policy establishes guidelines and requirements for the classification of fund balances consistent with the Governmental Accounting Standards Board (GASB) Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Background

The term, "fund balance" is used to describe the difference between assets and liabilities reported within a fund. In the past, fund balances have been classified into three separate components: reserved, designated, and undersigned. Limitations were associated with these classifications with respect to the purpose and usage of funds. The force of these limitations could vary significantly, depending on the funding source.

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for implementation in 2011. This new standard does not affect the calculation of fund balance; however, it altered various components used to report it. There are also new categories and terminology reflected in an approach that focuses on the constraints placed on the specific purposes of the funds. GASB Statement Number 54 applies to governmental funds such as LAFCO's General Fund.

With the shift of focus of GASB Statement Number 54, emphasis is now placed on the extent to which the government agency (LAFCO) is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than availability of fund resources. Under this new GASB, fund balances are classified as "non-spendable" and "spendable". Spendable categories are further classified as *restricted, committed, assigned,* and *unassigned*. Definitions and LAFCO policies for non-spendable and spendable categories follow:

- *Non-Spendable*: Amounts that cannot be spent or are not in spendable form (i.e. prepaid items, land held for resale, long-term receivables), or are legally or contractually required to be maintained intact.

- *Restricted*: Amounts that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments. They may also be internally imposed by enabling legislation. Examples are debt service reserves, gas tax funds and grants.
- *Committed*: Amounts committed for specific purposes by formal action of the governing body, such as enacted ordinances and resolutions, which prevent the amounts from being used for any other purpose without the governing body's formal action. These also include contractual obligations to the extent that existing resources have been specifically committed for us in satisfying those contractual requirements.
- *Assigned*: Amounts intended to be used for specific purposes without formal action by the governing body. This authority to determine the portions of a fund's balance that is to be assigned and reported as "assigned" in the agency's audited financial statements may be delegated to the Executive Officer or the Executive Officer's designee.
- *Unassigned*: Amounts in the General Fund in excess of non-spendable, restricted, committed, and assigned fund balances. For LAFCO, the General Fund Contingency Reserve and remaining spendable amounts which are not included in one of the other classifications would be classified as "unassigned" for presentation in the audited financial statements.

Policy

It is the policy of the San Diego Local Agency Formation Commission to:

1. Classify its fund balance in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Reporting of fund balance in LAFCO's audited financial statements will be based on the amounts and classifications made by the Commission or its delegate as provided in this policy. Classification of fund balance reflects the current plans of the Commission with respect to the use of fund balance. These plans represent current intention and are subject to change and assignment. Furthermore, the classification of funds (reflecting current plans for asset use) does not in any way limit the ability to use those funds for other purposes, as deemed necessary by the Commission.

2. Classify monies in the fund balances as *"non-spendable"* and *"spendable"* consistent with GASB Statement Number 54. Spendable categories will be further classified as *restricted, committed, assigned,* and *unassigned* as described below.
    a. Non-Spendable: The Commission shall designate fund balance monies as "non-spendable" for amounts that cannot be spent or are not in spendable form (i.e. prepaid items, land held for resale, long-term receivables), or are legally or contractually required to be maintained intact.
    b. Restricted (Spendable): The Commission shall designate fund balance monies as "restricted" for amounts that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments. The Commission may also restrict fund balance if required by internally imposed enabling legislation or regulations.
    c. Committed (Spendable): The Commission shall designate fund balance monies as "committed" for amounts intended for specific purposes by formal action within the following two categories:
        i. Stabilization: these monies are committed to absorb unexpected costs incurred during the fiscal year and include – but not limited to – operating shortfalls, litigation, and controlling future increases in agency contributions.
        ii. Opportunity: these monies are committed to pursue long-term efficiencies and/or related costs savings and include – but not limited to – Commission initiated proposals, capital purchases, prepayments, and transitional costs involving organizational restructuring.
    d. Assigned (Spendable): The Commission shall designate fund balance monies as "assigned" up to $125,000 per fiscal year. Assigned monies are delegated for use by the Executive Officer without formal action thereafter and specific to legal expenses, and costs associated with processing proposals with approved fee waivers or reductions, and high priority projects included in the annual workplan.
        i. The designation of assigned monies cannot result in unassigned monies falling below the minimum reserve level as described in this policy.

e. Unassigned (Spendable): The Commission shall designate fund balance monies as “unassigned” for amounts that are in excess of non-spendable, restricted, committed, and assigned fund balances. Additionally:

   i. The Commission shall maintain a minimum reserve level of unassigned monies equal to four months or 33.3% of budgeted operating expenses. These monies are intended to protect against cash flow shortfalls related to the timing of the collection of agency apportionments in the fiscal year.

   ii. Should unassigned monies equal less than the minimum reserve level described in this policy, the Executive Officer shall present a restoration plan to the Commission for approval. The restoration plan shall provide options with a recommendation to replenish unassigned monies to meet the minimum reserve level within three fiscal years.

   iii. The Commission shall maintain a maximum reserve level of unassigned monies equal to six months or 50% of budgeted operating expenses. Should unassigned monies exceed this maximum reserve level the Commission shall proceed to either designate the excess monies for committed uses or return to the funding agencies in the form of agency credits consistent with the provisions outlined in (e)(iv).

   iv. Commission may authorize credits to reduce new agency apportionments as part of the annual budget process. Individual credit amounts shall be equal to the affected agency’s proportional share of overall invoiced apportionments in the current fiscal year.

3. Review the fund balance no less than once per fiscal year as part of the annual budget process and take action as appropriate under this policy.

Adopted: June 3, 2013
Amended: May 6, 2019
Amended: August 7, 2023

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AGENDA REPORT
Consent | Information

August 5, 2024

TO: Commissioners

FROM: Michaela Peters, Local Government Analyst II

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

SUMMARY

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

BACKGROUND

Processing Procedures and Timelines

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

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Harry Mathis, General Public
Vacant, Alt., General Public

DISCUSSION

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

There are currently 26 active proposals on file with LAFCO. This amount is divided between 19 proposals in administrative review and pending Commission hearing with the remaining seven involving conditional approvals. Staff also identifies seven pending proposal submittals based on ongoing communications with their proponents. All active and pending proposals are outlined in Attachment One.

ANALYSIS

None.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

None.

PROCEDURES

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

On behalf of the staff,

Michaela Peters

Michaela Peters
Local Government Analyst II

Attachment:

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

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

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

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

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
8	RO19-04	"Ortega – Old Highway 80 Change of Organization" - San Diego County SD: Annexation	Michaela Peters	**New application submitted in May 2024** by landowner petition to annex approximately 11.2 acres to the San Diego County Sanitation District for wastewater service. The affected territory comprises three parcels – two presently developed with existing office structures, parking spaces, and other accessory structures. The purpose of the proposal is to connect sewer services for a proposed office/warehouse building development. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review. Discussions remain active.
9	SA19-26 RO19-26 OAS19-26	"Valiano - Eden Valley Reorganization" - City of Escondido: Extraterritorial Sewer - City of Escondido: Sphere Amendment - San Marcos FPD: Annexation - Rancho Fe FPD: Detachment - Rancho Fe FPD: Sphere Amendment	Michaela Peters	Application submitted in November 2019 jointly by landowner petition and the City of Escondido and involves a reorganization and outside-of-agency service agreement as part of the "Valiano" planned development in Harmony Grove. The reorganization involves the concurrent annexation of approximately 10.8 unincorporated acres to San Marcos FPD and detachment from Rancho Santa Fe FPD and related sphere amendments. The outside-of-agency service agreement approval request involves the extension of wastewater from the City of Escondido for approximately 82.9 unincorporated acres with related sphere amendments to add to Escondido and remove from San Marcos. The application is administratively paused due to incomplete and pending receipt of additional documentation – including the results of litigation against the underlying project. Discussions remain active.
10	CO21-09	"Otay Lakes Road Change of Organization" - City of Chula Vista: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition to annex approximately 1,870 acres of unincorporated territory to the City of Chula Vista. (The petitioners originally filed an application in October 2021 seeking approval to annex into the San Diego County Sanitation District. This previous application has since been withdrawn.) The affected territory comprises 6 parcels within the Baldwin and Moller communities and is presently undeveloped with no residents. The proposal is intended to facilitate the development of a 1,938 residential subdivision with various ancillary uses as part of the "Otay Ranch Resort Village 13" project. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant – including an agreement with LAFCO to proceed with a targeted/informing municipal service review. Discussions remain active.
11	CO22-04	"AJX Homes - Carmichael Change of Organization" - City of La Mesa: Annexation - City of La Mesa: Sphere Amendment - San Miguel FPD: detachment - San Miguel FPD: Sphere Amendment	Staff	Application submitted in February 2022 by landowner petition and involves annexation of approximately 0.3 acres to City of La Mesa for wastewater service. The affected territory is developed with a single-family residence and the landowner intends to update the existing site from a septic system to a public wastewater system. The application is administratively paused due to incomplete information and pending receipt of additional documentation from the proponent. Discussions remain active.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
12	RO22-11	"Tummala - Rincon MWD Reorganization" - Rincon del Diablo MWD: Annexation - Metropolitan Water District: Annexation - San Diego CWA: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition and involves annexation of approximately 20 acres of unincorporated territory to make available public water services. The affected territory is currently vacant and undeveloped. The proposal's purpose is to position the landowner to proceed in the future with a development plan with the County of San Diego. The submitted proposal application is incomplete pending receipt of additional documentation and related information. Discussions remain active.
13	CO23-11	"Nencini Associates Change of Organization" - San Diego County SD: Annexation	Staff	Application submitted in July 2023 by landowner petition and involves annexation of approximately 20.6 acres to the San Diego County Sanitation District (SD) for the primary purpose of establishing wastewater service. The affected territory is partially developed with one single-family residence, with plans to develop an additional 7 single-family residences through subdivision. Conditional approval for future annexation to the City of Chula Vista is recommended. The proposal is currently under administrative review and is considered incomplete at this time. Discussions remain active.
14	RO23-12	"Twin Oaks Valley Winery Reorganization" - Vallecitos WD: Annexation - Vista ID: Detachment	Michaela Peters	Application submitted in September 2023 by landowner petition and involves annexation of approximately 4.35 acres to the Vallecitos Water District to establish both potable water and wastewater services. The affected territory is developed with one single-family residence, with plans to develop a full-service winery – including a tasting room, wine production space, restroom(s), etc. The proposal is currently under administrative review with the expectation of expanding the scope to include detachment from Vista ID. Discussions remain active.
15	CO23-15	"Maclachlan - Old Highway 80 Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in December 2023 by landowner petition and involves annexation of approximately 0.60 acres to the San Diego County Sanitation District for the primary purpose of establishing wastewater service. The affected territory is currently undeveloped with plans of developing a commercial building and parking lot. The proposal is currently under administrative review with discussions remaining active.

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
16	CO24-01	"Keys Project LLC – Montemar Drive Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in January 2024 by landowner petition and involves annexation of approximately 1.5 acres to the San Diego County Sanitation District for the primary purpose of establishing wastewater service. The affected territory is presently developed with one uninhabitable single-family residence. The proposal's purpose is to accommodate the planned lot split and development of two new single-family residences. The proposal is scheduled for consideration by the Commission at its August 5, 2024 meeting.
17	RO24-03	"Bryant – Felicita Road Reorganization" - City of Escondido: Annexation	Michaela Peters	Application submitted in January 2024 by landowner petition following an out-of-agency service agreement administratively approved by the Executive Officer on February 22, 2023. The purpose of this proposal is to formally establish wastewater services to a single-family residence totaling 0.4 acres after temporarily remedying a failing septic system. The proposal is currently under administrative review with discussions remaining active.
18	OAS24-04	"Benter – Alto Drive Out-of-Agency Service Agreement" - City of La Mesa: OAS	Michaela Peters	Application submitted in February 2024 by landowner petition and involves an outside-of-agency service agreement for wastewater service to accommodate the planned development of an ADU (and possible JADU in the future). The proposal is currently under administrative review with discussions remaining active.
19	CO24-05	"O'Ryan – Calavo Street Change of Organization" - Otay WD: Annexation - Otay WD: Sphere Amendment	Michaela Peters	Application submitted in February 2024 by landowner petition and involves annexation of approximately 0.13 acres to the Otay Water District for the primary purpose of establishing public wastewater service. The affected territory is presently undeveloped with plans to develop a single-family residence and an accompanying accessory dwelling unit (ADU) in addition to a proposed 8.11-acre modification to include the public right-of-way along Avocado Blvd. The proposal is tentatively scheduled for consideration by the Commission at its October 7, 2024 meeting.

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

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
23	CO22-20	"Camino De La Fuente - Wick Change of Organization" - San Diego County SD: Annexation	Michaela Peters	Application submitted in November 2022 by landowner petition and involves annexation of approximately 35.3 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory is currently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan to grade the land for future industrial and outdoor storage uses. The proposal was approved by the Commission on October 2nd, 2023 and now pending completion of terms and conditions as set forth by the Commission.
24	CO23-09	"City of Carlsbad Change of Organization" - Leucadia WD: Detachment	Michaela Peters	Application submitted in July 2023 by resolution from the City of Carlsbad to detach 99.0 acres of incorporated territory from the Leucadia Wastewater District. The affected territory is presently inhabited and developed with multiple residences with no plans for future development. The proposal purpose is to better utilize existing wastewater infrastructure provided by the City of Carlsbad in addition to helping correct an overlap between Leucadia WD and the City. The proposal was approved by the Commission on February 5th, 2024 and now pending completion of terms and conditions as set forth by the Commission.
25	RO23-01	"Tucker - Valley Road Reorganization" - National City: Annexation - South Bay ID: Detachment - Bonita FPD: Detachment - Bonita FPD: Sphere Amendment - CSA No. 135: Detachment	Michaela Peters	Application submitted in November 2022 by landowner petition and involves annexation of approximately 2.16 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory contains two parcels, one presently developed with single-family residence and the other undeveloped. The proposal purpose is to accommodate the planned development of 10 single family residences and ancillary improvements known as the "Valley View Development Project". The proposal was approved by the Commission on March 4th, 2024 and now pending completion of terms and conditions as set forth by the Commission.
26	CO23-13	"Sky Ranch - Helix Water District Reorganization" - Helix WD: Detachment - Padre Dam MWD: Annexation	Michaela Peters	Application submitted in September 2023 by resolution of the Helix Water District to detach approximately 27 acres of land from the Helix Water District along with a conforming sphere of influence amendment. The affected territory presently comprises multiple single-family residences and multi-family residences with no additional plans for development. The proposal's purpose is to better align service providers consistent with existing infrastructure. The proposal was approved by the Commission on May 6th, 2024 and now pending completion of terms and conditions as set forth by the Commission.

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

	File Number	Proposal Name | Affected Agencies	Project Manager	Proposal Summary
	Pending	"La Jolla Incorporation" -City of San Diego		This anticipated special reorganization involves the detachment of 8,371 acres from the City of San Diego and the incorporation of the community of La Jolla. A draft fiscal impact analysis report is currently underway by the proponents - Association for the City of La Jolla (501c3) – to determine whether La Jolla could obtain cityhood and be economically sustainable on its own. Complete application is pending.
	Pending	"Lake Wohlford Resort Reorganization" - Valley Center MWD		This anticipated reorganization involves annexation of approximately 127 unincorporated acres to the Valley Center Municipal Water District. The reason for reorganization of the Lake Wohlford Resort community is to pass the Surface Water Treatment Rule – which they are currently unable to do due to the severe need for updated infrastructure. This reorganization involves the construction of 9,500 linear feet of private water lines to satisfy 140 connections. Additionally, the San Pasqual Band of Mission Indians will be a shareholder in the project by sharing a portion of the proposed private water lines. Complete application is pending.
	Pending	"Escondido Village – Unison Communities" - City of Escondido		This anticipated reorganization involves annexation of approximately 17 unincorporated acres to the City of Escondido. The reorganization would facilitate connectivity to public wastewater service and in doing so accommodate the proposed development of approximately 200 residential units on the affected territory. The entire project lies within the City of Escondido sphere of influence. Complete application is pending.

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AGENDA REPORT
Consent | Action

August 5, 2024

TO: Commissioners

FROM: Holly O. Whatley, Commission Counsel

SUBJECT: **Designation of Labor Negotiators**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider designating its labor negotiators for purposes of reviewing – and negotiating if warranted - the salary and benefits of the Executive Officer as part of the annual performance review. Consistent with policy and practice, it is recommended the Commission formally designate Chair Whitburn, Vice Chair Willis, and Past Chair Desmond as its negotiators in step with their role as the Executive Officer Compensation Committee.

DISCUSSION

The Brown Act, the State's open meeting law, authorizes LAFCO to discuss its Executive Officer's compensation and benefits in closed session. "However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives" who will negotiate on behalf of LAFCO (Gov. Code, § 54957.6, subd. (a).) LAFCO's internal rules establish a procedure for negotiating the Executive Officer's compensation and benefits. Under LAFCO Rule No. 6.20(6)(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." LAFCO Rule No. 6.20(6)(a) states:

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

> "The Executive Officer Compensation Committee shall consist of 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." LAFCO Rule No. 1.11 reads, "The Commission establishes the Personnel Committee to review matters relating to the Personnel Rules outlined in Section 6. The Committee shall be composed of three members of the Commission consisting of the Chair, Vice Chair, and Immediate Past Chair. The Chair shall make an appointment to fill the Immediate Past Chair seat on the Personnel Committee should the Immediate Past Chair no longer be on the Commission."

Therefore, consistent with the Brown Act and LAFCO Rule Nos. 1.11 & 6.20, LAFCO must designate in open session its Chair, Vice Chair, and Immediate Past Chair as labor negotiators. The Board may also appoint a fourth member, at the discretion of Chair Whitburn,

RECOMMENDATION

It is recommended San Diego LAFCO designate by minute order Chair Whitburn, Vice Chair Willis, and Commissioner Desmond to serve as labor negotiators to negotiate the Executive Officer's salary and benefits.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):
Designate by minute order Chair Whitburn, Vice Chair Willis, and Commissioner Desmond to serve as labor negotiators to negotiate the Executive Officer's salary and benefits.

Alternative Two:
Continue the agenda item to another meeting.

Respectfully,

Holly O. Whatley
General Counsel

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AGENDA REPORT
Public Hearing

August 5, 2024

TO: Commissioners

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

SUBJECT: **CONTINUED PUBLIC HEARING**
Revised Draft Report |
Municipal Service Review on the Oceanside Region

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will continue a hearing and receive a revised draft municipal service review on the Oceanside region. The revised draft follows an initial presentation to the Commission in June and subsequent direction to provide the City of Oceanside additional time to review before proceeding with a formal public review and comment period. The other two affected agencies – Oceanside Small Craft Harbor District and Morro Hills Community Services District – were similarly provided additional time to review the document with staff also making a formal presentation with the latter's governing board. Revisions are shown in track-change format and are comparatively limited. Most changes largely address the City of Oceanside and include responding to concerns the draft was miscasting its growth and development efforts as well as incorporating corrected potable water demands. The revised draft is being presented to the Commission for discussion and authorization to proceed as planned with initiating formal public review and comment in line with preparing a final document for future action.

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Jo MacKenzie, Vista Irrigation
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BACKGROUND

Municipal Service Reviews

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency's sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission regarding the availability and sufficiency of governmental services relative to 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. These documents also serve as an opportunity for the Commission to telegraph and encourage community discussion and/or action on future jurisdictional changes.

Adopted Workplan | Municipal Service Review on the Oceanside Region

San Diego LAFCO's 2023-2024 workplan was adopted at a noticed hearing in May 2023 and outlines 30 specific project goals for the fiscal year set in priority order. One of the otherwise "high" priority projects involves the preparation of a municipal service review on the Oceanside region with a specific focus on the City of Oceanside, Oceanside Small Craft Harbor District, and Morro Hills Community Services District.

June 2024 Meeting | Presentation of Draft Report

San Diego LAFCO received a draft report on the scheduled municipal service review in the Oceanside region as part of a voluntarily noticed public hearing on June 3, 2024. Public testimony included comments from the City of Oceanside requesting the Commission allow the City the opportunity to respond to the Executive Summary and its conclusions and recommendations before LAFCO proceeds with circulating the document for formal review and comment. The Commission accepted the request and asked staff to return the draft – with or without changes based on comments from Oceanside – at the August meeting.

DISCUSSION

This item is for San Diego LAFCO to review an attached revised draft report covering the scheduled municipal service review on the Oceanside region. The item is for discussion and for the Commission to assess whether the document meets its expectations and needs in eventually making informed determinations as required under statute. The revised draft is provided in a track-change format to highlight all changes and largely applies to the sections covering the City and Oceanside Small Craft Harbor District. Changes to the Morro Hills Community Hills District are more limited but include an additional determination based on discussions with their governing board.

A summary of the most substantive revisions follows.

- Executive Summary (Chapter Two)

  a) Revise Conclusion No. 2 to no longer use "pivot" and its unintended inferences in describing the sharp decline in growth rates within the City of Oceanside relative to recent decades. This section has also been revised to provide additional context and reasoning to reference the voter referendum involving the North River Farms project.

  b) Revise Conclusion No. 3 to address additional factors underlying the housing affordability challenge within the City of Oceanside to include limited land supply and homeowners not upsizing as requested by the City.

  c) Revise Recommendation No. 12 and its direction for LAFCO to consider authorizing a future governance study on the Oceanside Small Craft Harbor District to make explicit any actual changes that could be approved by LAFCO would be subject to protest proceedings.

  d) Revise Recommendation No. 15 and its direction for Morro Hills Community Service District to revisit its speed limit assignment for Sleeping Indian Road given its most recent traffic assessment would support a significant increase. The revision expands the recommendation to acknowledge the recent passage of AB 43 (July 1, 2024) and authorization – if certain conditions and findings are made – for local authorities to retain a speed limit under the 85th percentile standard.

  e) Add a new recommendation – Recommendation No. 17 – directing LAFCO to help coordinate discussions with Morro Hills Community Services District and County of San Diego Sheriff's Office to sync and/or otherwise enhance traffic enforcement within the jurisdictional boundary.

  f) Revise Written Determinations 5.3(1)(a)(iv) + (v) to reflect corrected potable water demands and trends within the City of Oceanside during the reporting period. This includes revising the estimated daily average per capita and housing unit daily demand from 118 and 348 gallons to 112 and 330 gallons, respectively.

  g) Revise Written Determination 5.3(2)(b)(iv) to reflect corrected cost estimates for the annual dredging performed by the U.S. Army Corps of the Oceanside Harbor from $3.5 to $6.5 million. Also revised is the relative impact of the dredging cost from equaling one-third to two-thirds of the average actual annual expense for Oceanside Small Craft Harbor District during the reporting period.

  h) Revise Written Determination 5.6(10) to address the value for LAFCO to help coordinate discussions between Morro Hills Community Services District and County Sherrif as similarly flagged in Recommendation No. 15.

- City of Oceanside Profile (Chapter Three)

  a) Revise the statement in Section 2.3 (Notable Post-Incorporation Activities) to clarify Proposition K (2010) does not exempt Oceanside from prevailing wage requirements for public works projects if required under state law.

  b) Revise annual demands during the reporting period listed in Section 6.1 (Potable Water Service Function) and make corresponding changes to related capacity measurements.

  c) Revise the projected potable water system demand capacity in Section 6.1 (Potable Water Service Function) with respect to accommodating a total buildout population from 0.970 million to 0.818 million.

  d) Revise the description of the City of Oceanside's engineering class in Section 6.5 (Community Development Service Function) consistent with City comments.

  e) Revise the statement in Section 7.2 (General Fund Activities) to confirm the City of Oceanside has met its reserve benchmark to maintain no less than 12% of its General Fund operating expenses in all five years in the reporting period.

- Oceanside Small Craft Harbor District Profile (Chapter Three)

  a) Revise the description in Section 6.1 (Marina Function and Ancillary Classes) to clarify Oceanside Small Craft Harbor District's streets and sidewalks class is limited to cleaning and trash recovery. Actual maintenance (repair and replacement) of the streets and sidewalks are performed by City of Oceanside.

ANALYSIS

See the revised Prospectus (Attachment One).

RECOMMENDATION

It is recommended San Diego LAFCO discuss the revised draft report on the municipal service review covering the Oceanside region and authorize the next step in the process involving the formal initiation of a 45-day public review and comment period.

ALTERNATIVES FOR ACTION

The item is being presented to San Diego LAFCO for discussion ahead of initiating a formal public review and comment period.

PROCEDURES

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

1) Disclose any material ex-parte communications.
2) Receive verbal presentation from staff unless waived.
2) Reopen the hearing and invite public testimony.
3) Discuss item and provide feedback as requested.

On behalf of the Executive Officer,

Michaela Peters
Local Government Analyst II

Attachments:

1) Prospectus on the Revised Draft Report
2) Comment Letter from the City of Oceanside
3) Revised Draft Municipal Service Review Report on the Oceanside Region

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Municipal Service Review

OCEANSIDE REGION

REVISED DRAFT

PROSPECTUS | JULY 2024

General Themes and Conclusions

The Oceanside region serves as a historical flagship community anchoring northern San Diego County with a current estimated population approaching 180,000 – making it the third largest municipal footprint behind only San Diego and Chula Vista. The City of Oceanside – both as a municipality and at-large community – is the economic and social epicenter. It accounts for nearly all residents and jobs in the region. This also includes serving as a daily host to an additional 70,000 residents, workers, and visitors associated with Marine Corps Base Camp Pendelton to the immediate north. Oceanside Small craft Harbor district (SCHD) overlaps all of Oceanside with service functions focused on the approximate 100-acre Oceanside Harbor and its role as a micro hub for marine and pleasure activities serving locals and tourists.

The physical setting of the Oceanside region largely reflects a traditional suburban layout. Smaller single-family and multi-family residential lots dominate the older neighborhoods in the City of Oceanside west of I-5 paired with local serving commercial corridors and headlined by Old Coast Highway. Densities gradually decrease eastward towards increasingly larger single-family residences via a series of subdivisions constructed between the 1950s and 2000s. The suburban layout cedes at South Morro Hills, which serves as Oceanside's unofficial greenbelt and remains – at least to date – largely agricultural with rural single-family residential uses. Morro Hills Community Services District (CSD) lies immediately to the east of Oceanside's unofficial greenbelt and has already experienced its own transition away from largely commercial agricultural uses and ancillary residences to now mostly upscale residential estates paired with ancillary small husbandry (crop and animal production) activities.

A review of the Oceanside region relative to San Diego LAFCO's growth management tasks and interests produces seven central themes or conclusions. These conclusions collectively address core policy considerations and related growth and development factors present in the region. The conclusions also address potential sphere of influence changes among the three affected local agencies. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2018 and 2022 with limited exceptions and detailed within each of the agency profiles provided in the next chapter.



The Oceanside Pier

The Oceanside Pier, first built in 1888 (and now in its sixth incarnation), is the longest wooden pier on the western United States coastline, at 1,954 feet (596m).

No. 1
Introductory Municipal Service Review

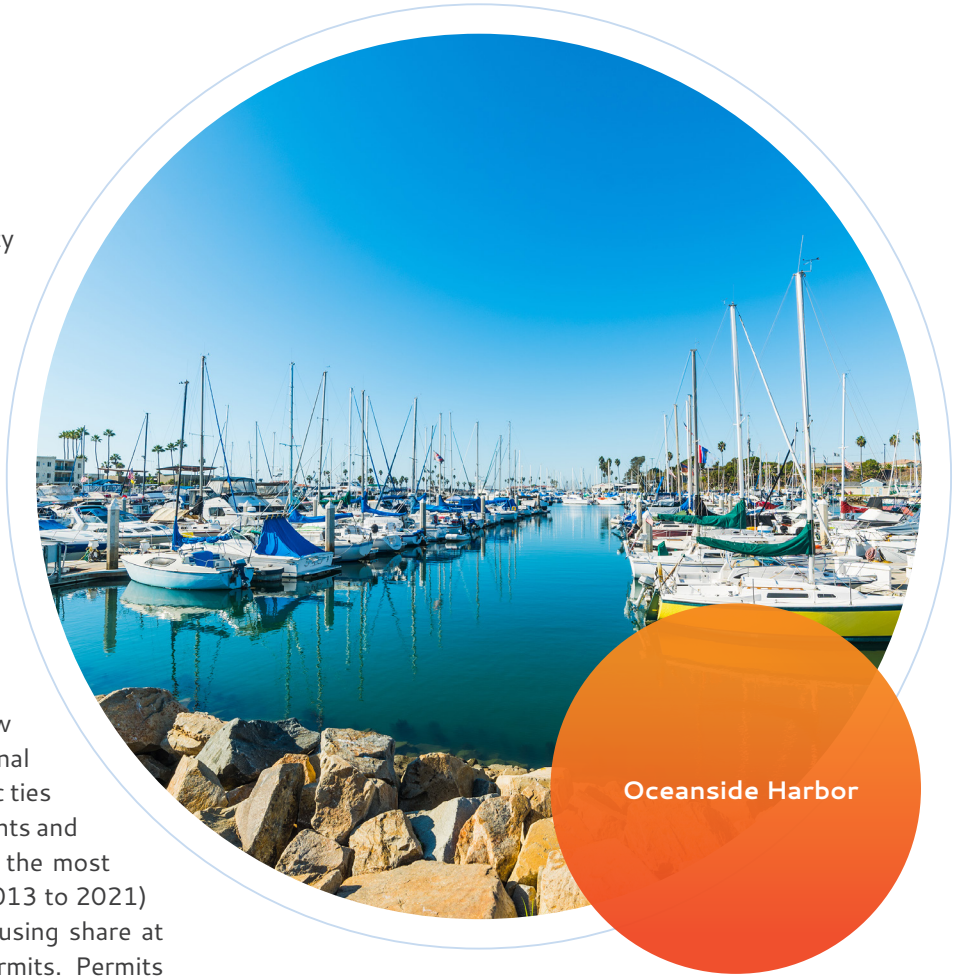
This report represents the first comprehensive municipal service review dedicated to the Oceanside region and three affected local agencies under LAFCO oversight – City of Oceanside, Oceanside Small Craft Harbor District (SCHD), and Morro Hills Community Services District (CSD). (Earlier municipal service reviews covering one or more of the affected agencies were part of countywide reports prepared in 2007 and 2009). The report consequently serves as a dual introduction. This is marked by introducing the affected agencies and their constituents in real-time to an otherwise unfamiliar and relatively detailed outside planning process. The introduction similarly introduces the Commission to the affected agencies and their service functions at depths previously unvisited with the underlying goal of establishing baseline information to track and measure going forward.

No. 2
Slower Growth – the Good (Community Empowerment)

The City of Oceanside – as an at-large community and as the epicenter of the region's economic and social well-being – has experienced a significant slow-down in growth starting in 2000 with the annual population change averaging 0.4% through the end of the five-year report period – or the net addition of two persons each day. This period change marks a five-fold decrease over the prior 20-year span (1980-2020) in which Oceanside averaged the net addition of 12 persons each day. This relatively seismic shift towards slower growth appears largely attributed to changing resident demographics (e.g., older residents with higher incomes), market conditions, and the accompanying community empowerment to more directly influence development decisions; the latter reflected in a successful 2020 ballot referendum overturning the City Council's 2019 approval of a 585-unit residential project in South Morro Hills (North River Farms). Although the referendum was subsequently overturned and a smaller project approval followed, the referendum, nonetheless, marks a new level of community empowerment not previously exercised over land use decisions.

No. 3
Slower Growth – the Challenge (Housing Affordability)

The shift towards slower growth within the City of Oceanside starting in 2000 has contributed to a sizable acceleration in housing prices over the last 20 years and through the end of the five-year report period with the median home sale increasing from $195,800 to $784,800 – an average annual change of 14%. This period change marks a 50% rise over the prior 20-year span (1980 to 2020) in which median home sales experienced an average annual rise of 10%. The acceleration of home prices in Oceanside – among other outcomes – has noticeably impacted the private market's ability to construct new affordable workforce housing at the traditional entry levels – i.e., starter homes. This dynamic ties to multiple factors – including supply constraints and homeowners not upsizing – and reflected in the most recently completed housing element cycle (2013 to 2021) where only 23% of Oceanside's assigned housing share at moderate or lower levels received building permits. Permits issued through the first quarter of the current housing cycle (2021-2029) suggest housing affordability at the moderate or lower categories will similarly fall substantively short of goals, albeit at improved levels with current projections showing the attainment level reaching 36%.


Oceanside Harbor

No. 4
Variations in Fiscal Health + Navigating Related Stresses

A prominent schism exists among the three affected agencies in the Oceanside region involving their fiscal well-being and navigating financial stresses. The City of Oceanside has steadied its financial position after several years of operating shortfalls in the General Fund in large part to successfully making the case to voters in 2018 to approve a seven-year one-half cent sales tax. Measure X reset Oceanside's overall sales tax rate to 8.25% with the additional revenue broadly earmarked to improve City infrastructure and public safety. Measure X has been a clear success; it has reversed shortfalls into surpluses and underlies a significant two-thirds increase in General Fund reserves ($66.5 to $112.5 million) over the reporting period. Nonetheless, the extension of the one-half cent sale tax beyond its current sunset date in 2026 remains a pronounced variable in Oceanside's near-term health and is expected to be taken up by voters in late 2024. While Oceanside's fiscal health largely ties to the present and near-term status of Measure X, the other two agencies' standing is comparatively more opaque, although for entirely different reasons. Oceanside SCHD, similar to its parent governing body, has steadied its actual expense-to-revenue relationship through incremental budgeting true-ups. These budgeting actions have contributed to a helpful increase of nearly one-fourth in SCHD's unassigned fund balance ($3.7 to $4.6 million) over the reporting period. However, the budgeting true-ups have not addressed decades of deferred or otherwise neglected maintenance. This qualifier is illustrated in capital assets (docks, pilings, piers, etc.) having surpassed their expected useful lives by more than two-fold and serves as a critical stress test for SCHD going forward. Unlike the other two agencies in the region, Morro Hills CSD has maintained a positive actual revenue-to-expense relationship through the reporting period without any obvious hardships; at least that are known. The CSD operates entirely within the confines of the annual collection of its 1% property tax share, which netted $0.090 million at the end of the reporting period. Although CSD has been effective in keeping expenses in line with annual revenues – which is also reflected in an unassigned fund balance increasing by more than four-fifths ($0.142 to $0.267 million) during the period – less is known regarding pending costs. Specifically, no pavement rating has been performed on CSD's 6.0-mile roadway system nor has a capital improvement plan been prepared. These factors directly contribute to a subtle – but real and emerging – stress test.



Mission San Luis Rey, Oceanside

No. 5
Adequate Municipal Service Capacities with a Qualifier...

All three affected agencies in the Oceanside region have established sufficient and excess capacities involving their core municipal functions to meet both current and anticipated demands through the report's timeframe – at least on a macro level and irrespective of any micro limitations for specific areas. This overall sufficiency is reflected with the region's principal service provider – City of Oceanside – and its available resources involving water and wastewater, which traditionally represent the services most closely affiliated with either supporting or hindering new development. Markedly, and based on current demand-to-capacity ratios for the reporting period, it estimated the water and wastewater systems can accommodate buildout populations of 970,000 and 275,000, respectively.

A material qualifier applies, nevertheless, to Oceanside's other services that are dependent on General Fund monies and the uncertain status of Measure X and its critical revenue enhancement beyond the current sunset date in 2026. This latter variable suggests added caution in the interim for LAFCO in considering boundary actions and their potential impact – advantageous and disadvantageous – on the Oceanside General Fund.

No. 6
City of Oceanside's Role as an Urban Center + LAFCO Support

The City of Oceanside is favorably positioned to plan and accommodate additional growth and become a focal urban center for North County. This opportunity ties to Oceanside's role as a full-service municipality and the controls it provides paired with its physical location along existing major transportation corridors as well as planned expansions – including the modernization of rail (Metrolink and Amtrak) linking Oceanside throughout Southern California. This opportunity further ties and can be supported by LAFCO's own interests and duties to facilitate orderly and city-centered growth in step with providing housing for families at all income levels.

No. 7
Proceeding with Limited Sphere Updates + Telegraphing Potential Changes with Special Study Areas

It would be appropriate for LAFCO to proceed with limited sphere of influence updates for all three affected regions in the Oceanside region and defer consideration of more comprehensive actions to the next municipal service cycle. The approach would involve proceeding with affirming all three agencies current designations without changes. It would also involve establishing one or more specific special study areas to all three agencies to memorialize areas the Commission would allow to come forward over the next five-year period without requiring a new municipal service review. A key example includes establishing dual study areas for Oceanside and Oceanside SCHD and their matching spheres to include an approximate 150-acre area immediately to the southwest near Sunset Drive and Melrose Way that qualifies as a DUC under local policy.

Recommendations

The following recommendations call for specific action either from San Diego LAFCO and/or one or more of the three affected agencies in the Oceanside region based on information generated as part of this report. The recommendations are ordered in sequence to their placement in Section 5.0 (Written Determinations). Recommendations for LAFCO action are dependent on a subsequent directive from the Commission and through the annually adopted work plan.

1. As a long-term principle, LAFCO should prioritize and direct growth in the region to the City of Oceanside – including development that would otherwise occur in the surrounding unincorporated areas – and its appropriate role to serve as an urban center in San Diego County.
2. LAFCO – and for its own benefit under statute – should coordinate with SANDAG to develop current buildout estimates within the Oceanside region – including potential lot-splitting as allowed under Senate Bill 9 (Weiner) and incorporate the information into the next scheduled municipal service review.
3. LAFCO should coordinate with the County of San Diego to identify and map active wells and septic systems within the Oceanside region and incorporate the information into the next scheduled municipal service review.
4. Should Measure X's ½ cent sales tax expire during the timeframe of the report, all jurisdictional changes involving the City of Oceanside shall demonstrate de minimis impacts on the City General Fund unless overriding policy considerations are made by the Commission on a case-by-case basis.
5. It is appropriate for LAFCO to defer the identification and evaluation of mutual water companies in the Oceanside region as otherwise prompted in the LAFCO statute to a future informational report.
6. The City of Oceanside should revisit its arrangement with Oceanside SCHD involving the payment plan associated with the SCHD patrol vessel to account for the City's usage of the capital asset outside of the Oceanside Harbor.
7. Morro Hills CSD should explore options to contract with the City of Oceanside or the County of San Diego to provide road maintenance services at a pre-agreed hourly rate to help protect the CSD from variables – costs and availability – associated with the current practice to utilize private contractors as needed.



Coaster Commuter Train at Oceanside Transportation Center

8. As the City of Oceanside proceeds to implement the initial phases of its novel Re-Beach program, it would be pragmatic to explore opportunities to enlist other local agencies in consolidating efforts - functional or political - given inescapable impacts and interests in beach restorations along the greater coastline. LAFCO should assist if Oceanside and/or other stakeholders wish to explore a political model to organize sand nourishment on a larger scale.
9. Efforts should be taken by Oceanside SCHD to publicly distinguish its role as a stand-alone governmental entity separate from the City of Oceanside.



Oceanside Lighthouse at Harbor Village

Recommendations

10. Oceanside SCHD should formalize its existing relationship with the City of Oceanside through an official memorandum of understanding to clearly outline roles and responsibilities and associated costs in utilizing City staff, supplies, and resources in carrying out District duties.

11. Oceanside SCHD informally deactivated its previously authorized and active patrol and rescue municipal function in 2009 in step with these responsibilities being assumed by the City of Oceanside. SCHD's legal authorization to provide patrol and rescue – however – remains active under State law. To clarify service expectations and mitigate potential liabilities, SCHD should formally request divestiture approval under Government Code 56824.10.

12. LAFCO is aware there is community interest in exploring the reorganization of Oceanside SCHD into an independent agency to provide direct constituent influence on decision-making. It would be appropriate for the Commission to consider authorizing a future governance study to assess alternatives – functional and political – for the benefit of both agencies and their shared constituents with the understanding any actual change to the governance structure would be subject to protest proceedings and potentially an election.

13. It appears appropriate for LAFCO to proceed with limited sphere of influence updates for both the City of Oceanside and Oceanside SCHD to affirm the existing designations with one or more common special study areas.

    (a) One special study area has been identified to date and spans nearly 150 acres covering DUC lands located immediately southwest of the agencies near Sunset Drive and Melrose Way; it also currently lies within the Vista sphere. Establishing this special study area would provide LAFCO the opportunity to discuss the potential annexation of the DUC lands with both Vista and Oceanside and in doing so help facilitate the delivery of elevated municipal services to the community consistent with State law.

14. It appears merited for LAFCO to partner with the Morro Hills CSD in sponsoring or otherwise supporting a legislative change to the principal act to reduce the number of Board members from five to three consistent with existing special provisions in State law.

15. The Morro Hills CSD Board should revisit conditions on Sleeping Indian Road and its most recent traffic assessments and the analysis therein that appears to support a significant increase in the speed limit. This includes assessing whether the Board's ability to retain a speed under the 85th percentile standard under the recent passage of AB 43 is either available or appropriate.

16. It would be advantageous for Morro Hills CSD to explore interest among adjacent landowners that presumably benefit and use the road system to annex and have direct participation in Board decision-making while concurrently expanding the CSD property tax base.

17. LAFCO should help coordinate discussions with Morro Hills CSD and County of San Diego Sherriff's Office to identify enhancement opportunities to enhance traffic enforcement within the CSD jurisdictional boundary relative to available resources. This includes, but not necessarily limited to, activating CSD's police protection power to fund enhanced enforcement – directly or by contract.

18. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for Morro Hills CSD to affirm the existing designation with the addition of a special study area. The special study area represents the notional expansion of the CSD to capture adjacent lands that presumably use and benefit from the roadway system.

CITY OF OCEANSIDE
OFFICE OF THE CITY MANAGER

July 26, 2024

San Diego County – Local Agency Formation Commission (LAFCO)
Subdivision of the State of California | Regional Service Planning
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

RE: Revised Draft MSR on Oceanside Region

Dear Mr. Simonds:

Thank you for providing an opportunity for City staff to provide further feedback on the draft Municipal Service Review (MSR) prior to the public comment period. We believe that this engagement and collaboration will produce a better and more useful document. By now you should have received further statistical information from our Water Utilities Department, Fire Department, and Financial Services Department. If you are still lacking any pieces of information, please let us know as soon as possible and we will respond forthwith.

We appreciate the changes that you've made thus far and offer the following comments:

- Page 24 "No. 2" – We believe the assertion that citizen opposition to a single development project (i.e., North River Farms) is an indicator of a larger trend of citizen empowerment slowing growth in Oceanside is grossly overstated. Public opposition to the North River farms development was largely driven by a singular concern over the conversion of prime farmland into housing. In fact, several housing projects totaling over 2,000 units have been approved by the City since consideration of the North River Farms project. Many of these subsequent projects were approved despite organized community opposition. It's also worth noting that the City is in the final stages of completing a comprehensive General Plan Update that would add capacity for thousands of additional housing units along the City's transit corridors. The public has been largely supportive of this plan and the "smart growth" principles it supports.

- Page 24 – "No. 3" – We believe this section fails to account for and acknowledge that the City is largely built out and opportunities for development on vacant lands are limited, as compared to the period of substantial growth (1980-2000). This section also fails to acknowledge that the City's HCD-certified Housing Element for the 6th Cycle includes a site's inventory that shows there is capacity to accommodate the City's RHNA obligations. Further, we still assert that RNHA progress is a misplaced measurement tool as development activity is largely driven by private market forces beyond the City's control. For example, within the past few years the City has approved several housing developments totaling over 2,000 housing units but few of these projects have been built due to the recent rise in interest rates and escalating construction costs.

- Page 26 – "No. 7" - The subject area has been identified in the City of Vista's SOI since 1978. Why would it be appropriate to now change the City of Oceanside's SOI to include this area after 46 years? The City does not need this area to meet any of its housing obligations as evidenced by our Certified Housing Element, so why now? (This note applies to Item 13(a) on Page 29, as well). The draft document fails to articulate the pressing issue(s) that would be resolved by a change to our current SOI. The issue(s) to be addressed should be understood before significant resources are expended through a future study.

- Page 25 – Item 6 – LAFCO states that the City should revisit the arrangement with SCHD regarding the payment plan associated with the SCHD Patrol Vessel. This arrangement was just revisited in June 2024 at the City's annual budget hearing and is revisited every year. The governing body of both the City and the Harbor District have found this arrangement to be appropriate. Further, it's important to note that the Harbor District boundaries extend down the entire coast to Carlsbad so use of the vessel outside of the Harbor itself should not be viewed as an unfair financial impact to the Harbor District.

- Page 45 – Item 2(b) – The report states that Measure X reversed a prior General Fund budget deficit. This is untrue. The City has never produced a deficit budget (we actually have a financial policy that does not allow for this). Furthermore, Measure X revenues have not supplanted any General Fund programs. Measure X programs and projects are all in addition to what was already being funded.

  This item further notes that Council is expected to sponsor an extension in November 2024. This item should be updated to reflect the action Council took in June to place an extension on the November ballot.

- Page 132 – Item 7.6 "Other Post-Employment Benefits Obligations" – Items referencing the Oceanside Firefighters Association retirees reflect outdated policies that are no longer applicable. Any such references should be struck.

- Page 136 – reference to dredging – please edit so that the reader understands that while we benefit from dredging we don't pay for or manage the contract; the US Army Corps of Engineers is responsible for this function.

- Page 147 – LAFCO asks "how is the patrol and rescue function active?" – SCHD provides this function through contracted services. The Oceanside Fire Department's Marine Safety Unit actively provides this service.

- Page 151 –"Wharf" – The report states that nearly all leases pay a uniform minimal rental rate plus a percent of *net* revenue. In actuality, all leases pay a base rent, plus a

percentage of *gross* revenue. We would also ask you to strike the word "minimal" as this is subjective and not all lessees would agree with that statement.

While City staff appreciates LAFCO's willingness to actively engage City staff in the MSR process, we also offer the following suggestions that would have made the process much smoother and could also prove beneficial as LAFCO completes MSRs for other County jurisdictions.

- LAFCO staff should give consideration to formalizing the MSR review process by creating an "MSR Roadmap" to be shared with affected agencies prior to embarking on the MSR process. This Roadmap should clearly articulate the process to be followed, including timeframes, opportunities for staff input and the specific documents that will be made available for staff review. Had we had the opportunity to review such a Roadmap in consultation with LAFCO staff prior to commencement of the MSR, we believe the process would have been much smoother.

- We strongly suggest that cities/agencies should have an opportunity to review the entire draft MSR prior to its release for public comment. This includes those portions of the document which include LAFCO's specific recommendations. The "recommendations" are the most germane part of the MSR document yet we did not get to see them until the document was released to the public. While LAFCO staff has shared why we were not provided with the recommendations in advance, we believe withholding such recommendations creates an unnecessary point of friction in the process. Allowing us to review and comment on the recommendations in draft form in no way obligates LAFCO to change them in response to any subsequent city comments received.

The City thanks you again for the opportunity to review this document and make sure that it accurately and completely profiles the City and the various services it provides to the residents. We also reserve the right to provide additional comment on the draft document once it is formally released for public review.

Sincerely,

FOR Jonathan Borrego
City Manager

CC: Oceanside City Council

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SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



OCEANSIDE REGION
Municipal Service Review | Government Code 56430

Affected Agencies
City of Oceanside
Oceanside Small Craft Harbor District
Morro Hills Community Services District

Revised Draft Report
~~May~~ July 2024

Project Team:
Michaela Peters, Analyst II, Project Manager
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ACKNOWLEDGEMENTS

San Diego LAFCO gratefully acknowledges the time and effort of officials and staff with the affected local agencies in the Oceanside region in assisting in the preparation of this report. This includes – but not limited to – the following persons:

City of Oceanside
City Manager Jonathan Borrego
Michael Gossman, Assistant City Manager
Manuel Gonzalez, Parks and Recreation Director
Lindsay Leahy, Water Utilities Director
Jill Moya, Finance Director
David Parsons, Fire Chief

Oceanside Small Craft Harbor District
Joseph Ravitch, Harbor Manager
Heidi Garcia, Program Specialist
Chair Liz Rhea, Harbor and Beaches Advisory Committee

Morro Hills Community Services District
Thomas Harrington, Board President
Jeanine Roskos, Board Member

LAFCO also expresses its sincere appreciation to former Analyst II Carolanne Ieromnimon and her initial duties as project manager before departing the agency in April 2024.

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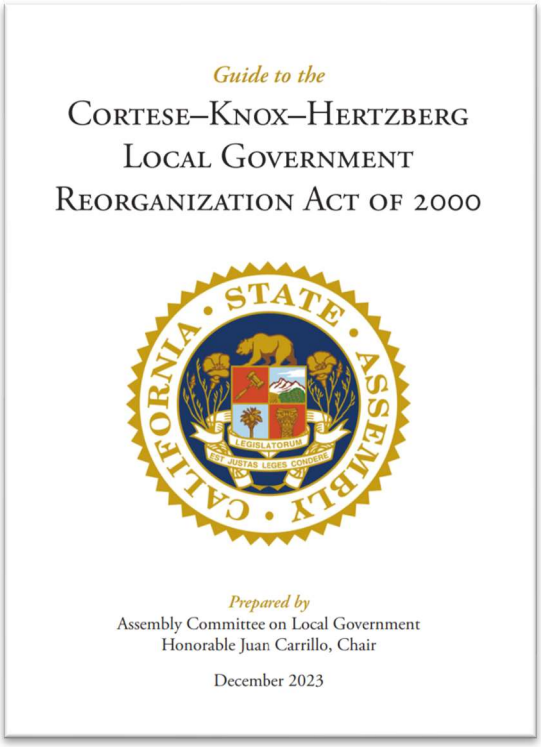
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CHAPTER ONE
INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 as 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 was engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to address the needs of California's growing and diversifying population more effectively with an emphasis on promoting governmental efficiencies.



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*

[1] Reference California Government Code Section 56000 et. seq.

present and future needs of each county and its communities."

LAFCO decisions are legislative and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers to condition regulatory and planning approvals so long as not establishing any terms that directly impact land use density or intensity, property development, or subdivision requirements.

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.[2] 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 activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize LAFCOs to initiate jurisdictional changes to form, consolidate, and/or dissolve special districts consistent with community needs.

Overseeing Local Governments' Boundaries + Service Areas…
LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and most special districts in California with limited exceptions.

1.3 Planning Responsibilities

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 –

Informing + Telegraphing Future Boundary and Service Changes…
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 community needs.

[2] CKH defines "special district" to mean any agency of the State formed under 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.

among other activities – sphere determinations. The Legislature mandates, notably, that all sphere changes as of 2001 be accompanied by 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.

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.[3] An increasingly important role involving sphere determinations relates to their consideration by regional councils of governments in allocating housing need assignments for counties, towns, and cities.

Starting January 1, 2008, LAFCOs are prompted to review and update all local agencies' spheres every five years as needed. 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 now and into the future. The five mandated planning factors are summarized in short form below.

Gatekeeping Growth + Services...
Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineate where local agencies may seek future annexations or outside service approvals with LAFCOs.

1. Present and planned land uses, 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.

[3] Exceptions, where jurisdictional boundary changes do not require consistency with the affected agencies' spheres, include annexations of State correctional facilities or annexations to cities involving city-owned lands used for municipal purposes.

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

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

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH's enactment in 2001 and represent comprehensive studies on 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 to obtain and furnish information to contribute to the overall orderly development of local communities.

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

LAFCOs' 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 specific service factors listed under G.C. Section 56430. This includes infrastructure needs or deficiencies, growth and population trends, and financial standing. The mandated service factors are summarized below in short form with additional details footnoted.[4]

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.

[4] 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*).

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.

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

LAFCOs are generally governed by an appointed 11-member board, comprising three county supervisors, three city council members, 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 are divided between "regulars" and "alternates." Appointments are made locally among category ranks. All members are statutorily directed to 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.

Appointments + Duties...
State law prescribes the appointment process for LAFCOs with county, city, and district members all appointed from among their elected ranks. Public members are appointed by the other appointed officials serving on LAFCOs. All members are tasked to independently discharge their responsibilities for the good of the region.

LAFCOs have sole authority in administering their legislative responsibilities and decisions 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 to fully fund LAFCOs' annual operating costs. Counties are generally responsible for funding one-third of LAFCO's annual operating costs with the remaining one-third portions allocated to the cities and independent special districts. The allocations to cities/towns and special districts are calculated based on a standard formula using total revenues as reported by the State Controller's Office unless an alternative method has been approved by most of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

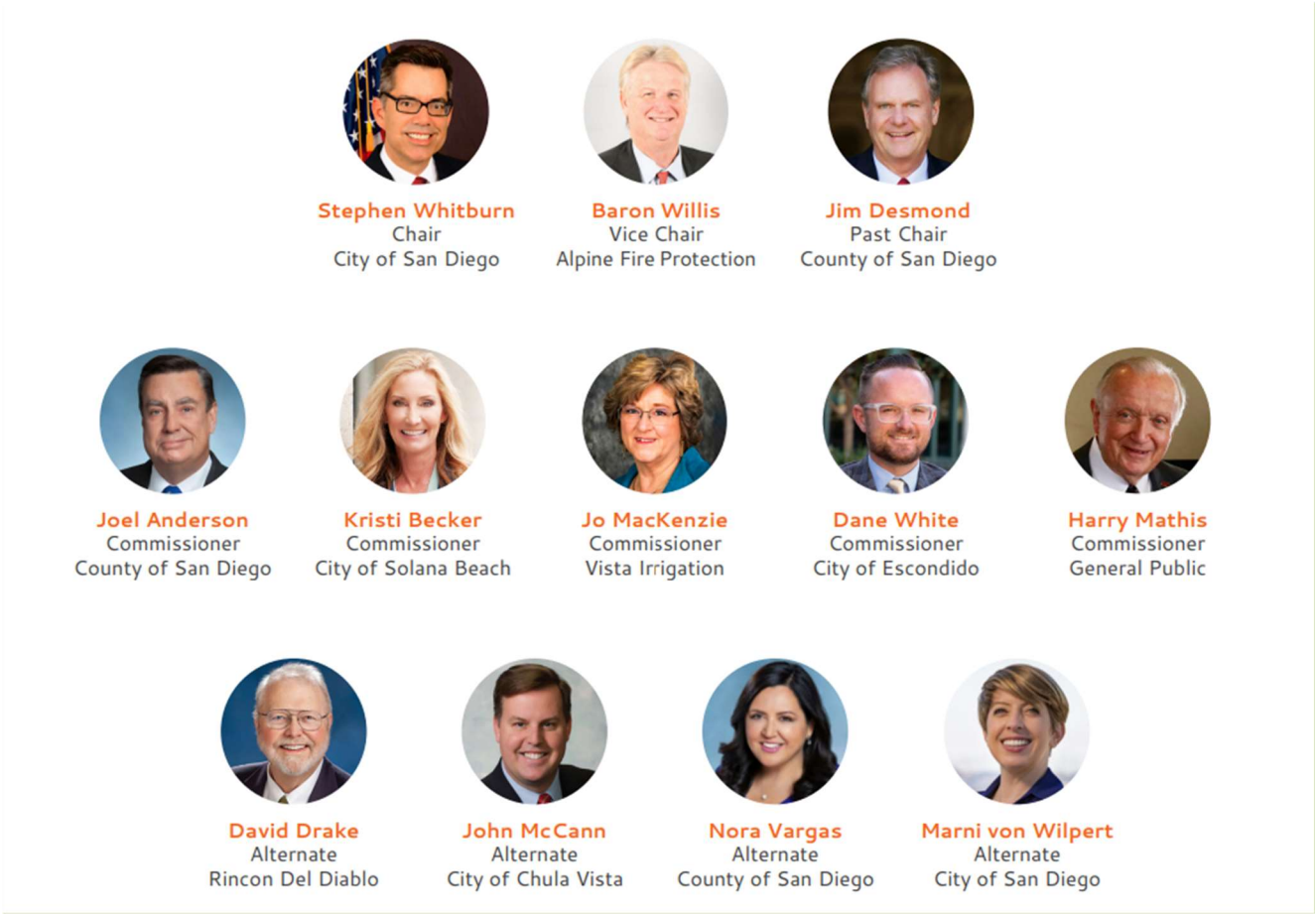
2.1 Adopted Policies and Procedures

Most of San Diego LAFCO's ("Commission") existing policies and procedures were established in the 1970s and subsequently updated in the 2000s in step with CKH's enactment. 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 discretion to address local conditions. 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 (L-106).

2.2 Commission Information

San Diego LAFCO is governed by a 13-member "Commission" comprised of county, city, special district, and public members. The Commission is further distinguished between eight regular or voting members and five alternates. All Commissioners are appointed elected officials, except for the two public members. The Commission 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 8:00 A.M in Room 302 and live streamed at www.sdlafco.org. Video recordings of past meetings are also online.

The Commission roster as of ~~May~~ July 2024 follows.



2.3 Administration Information

San Diego LAFCO's administrative office is located in the Bankers Hill section of San Diego at 2550 Fifth Avenue, Suite 725. Street parking is readily available. While LAFCO is open to the public Monday through Friday during normal business hours (8:00 A.M. to 5:00 P.M.), appointments to discuss proposals, studies, or other matters are encouraged to ensure staff availability and can be scheduled ahead by calling 619.321.3380. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO's programs and activities is also available online at www.sdlafco.org. LAFCO is also available on most social media platforms.

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CHAPTER TWO
EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review for the Oceanside region in northwestern San Diego County. The report has been prepared by LAFCO staff consistent with the scope of work approved by the Executive Officer and related delegations made by the Commission under L-106. The report's underlying aim is to produce an independent assessment of municipal services in the region over the next five plus years relative to the Commission's regional growth management duties and interests. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services in the Oceanside region and within the service areas of the three affected local agencies directly subject to the Commission's oversight. The information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes and out-of-agency services, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions over the next five-year period.

Scheduled MSR Check-In on the Oceanside Region…
The purpose of this report is to produce an independent "snapshot" of the level and range of municipal services in the Oceanside region by the three local agencies directly under the LAFCO oversight. This includes addressing governance and related accountability topics per statute. The Commission will draw on the information generated in this report to inform future regulatory and planning actions as detailed.

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content by the Executive Officer to serve as an ongoing monitoring program on municipal services in the Oceanside region. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks approximately every five years consistent with the timetable set by the Legislature and memorialized under local policy. This will allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Other key premises, assumptions, and benchmarks underlying the preparation of this report follow.

Defining Scope | Affected Agencies Covered

The report explicitly evaluates three affected local agencies providing one or more municipal services in the Oceanside region under the Commission's oversight. The three affected agencies – and in order of their formation dates – are the City of Oceanside, Oceanside Small Craft Harbor District (SCHD), and Morro Hills Community Services District (CSD). Other local agencies that provide one or more municipal services in the region include – but are not limited to – Mission Resource Conservation District, Tri-City Healthcare District, and North County Transit District. These other agencies are subject to review as part of separate reports under the Commission's rolling study schedule.

Who's Covered in the MSR...
The report's scope is specific to reviewing the municipal services provided in the Oceanside region by (a) City of Oceanside, (b) Oceanside Small Craft Harbor District, and (c) Morro Hills Community Services District.

Defining Scale | Municipal Services Covered

The report is scaled to review most – but not necessarily all – of the municipal service functions provided by the three affected agencies in the Oceanside region. As allowed under the adopted policy, the Executive Officer has scaled the review to target the municipal service functions and classes most germane to the local agency's core purposes and influence on growth and development. Scaling also considers LAFCO's available resources. An example of this scaling in this report involves targeting the analysis of the City of Oceanside to focus only on potable water, wastewater, integrated fire protection, parks and recreation, and community development. Other key municipal service functions provided by Oceanside – including airport, library, police, recycled water, solid waste, streets, and stormwater – are cursorily noted with the expectation of expanded analysis in future reports.

What's Covered in the MSR...
The report has been scaled to evaluate most – but not necessarily all – municipal functions and classes provided by the three agencies with deference to targeting services with the most direct effects on growth and development.

Looking Back | Determining the Reporting Period + Data Collection Window

The reporting period for collecting data to inform the Commission's core analysis and related projections on demographics, service capacities and demands, and financial standing in the Oceanside region has been set to cover the five-year fiscal period from 2018 to 2022 with limited exceptions. This data collection window – 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.

The Informing Years...
The report draws on data collected from the affected agencies and other documented sources – including relevant State databases – over five years between 2018 and 2022.

Looking Forward | Setting the Reporting Timeframe + Coverage of Future Actions

The reporting timeframe has been oriented to cover the next five-year period through 2029 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews and will directly inform all related sphere of influence, boundary, and out-of-agency service actions within the Oceanside region over the next 60 months. Any sphere, boundary, and/or out-of-agency proposals during the reporting timeframe deemed inconsistent with the analysis provided in this report will be disfavored unless otherwise supported by additional analysis – whether in the form of an addendum or new report.

Coverage Going Forward...
The reporting timeframe covers the next five years with the analysis directly informing Commission decisions with respect to any sphere, boundary, or out-of-agency proposals to 2029.

Calculating Population + Housing

Recent and current residential population and housing estimates in the report draw on data generated by Esri and their mapping analyses of census tracts that overlay the three affected agencies in the Oceanside region. This approach is consistent with recent practice in preparing municipal service reviews given the ability of Esri's mapping software to readily synchronize with both city and special district

boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend over the last 60 months, i.e., growth over the last five years is generally expected to hold over the next five years.

Macro-Level Focus

The report focuses on central service outputs with respect to quantifying the availability, demand, and adequacy of the municipal functions and classes provided by the three affected agencies within the Oceanside region. A prominent example involves focusing on annual system-wide demands (e.g., water, wastewater, etc.) generated during the five-year report period as opposed to specific service areas or zones. This approach informs macro-level determinations, and when applicable, the ~~addendum~~ report notes the need for more micro-level analysis as part of separate addendums or future municipal service reviews.

Agencywide Deliverables...
The report largely focuses on agency-wide capacities and demands as opposed to service adequacies within specific areas or zones within the affected agencies.

Benchmarking Infrastructure Needs and Deficiencies

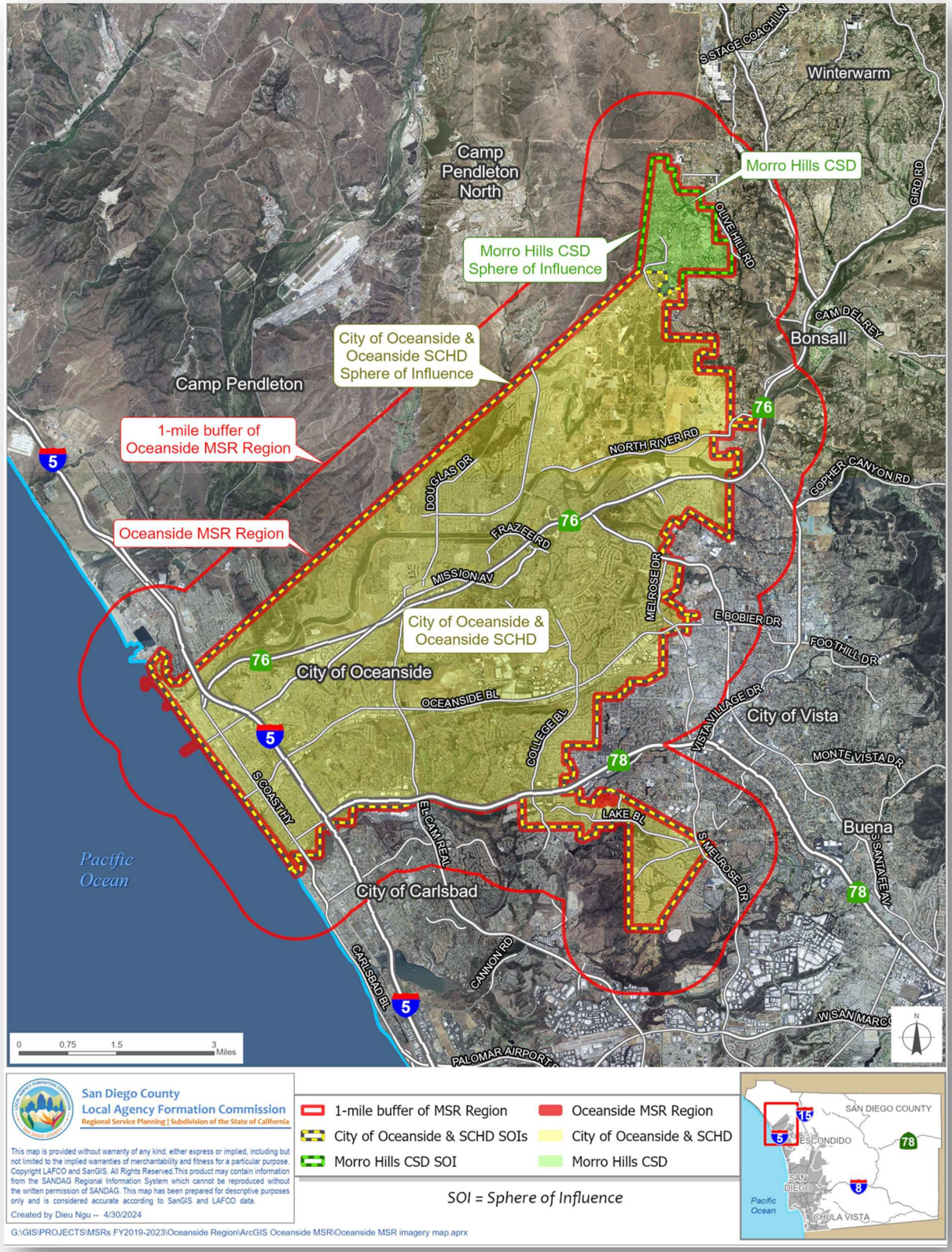
Similar to the preceding factor, the report and its analysis focus on average system demands generated by the three affected agencies within the Oceanside region during the reporting period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities. Exceptions where final year demands are prioritized in the analysis are noted accordingly.

Protecting Against Outliers...
The report largely focuses on evaluating available capacities with five-year demand averages as opposed to focusing on final-year relationships.

Benchmarking Fiscal Standing

Several diagnostic tools are used to assess and make related determinations in the report regarding the financial standing of the affected agencies in the Oceanside region. This includes an emphasis on using audited financial statements whenever practical in analyzing liquidity, capital, margin, and capital asset management with an emphasis on overall trends. This also includes drawing on industry standards as well as regional comparisons in assigning value (i.e., good, average, or poor).

Map No. ES-1


Camp Pendleton North
Camp Pendleton
Morro Hills CSD
Morro Hills CSD Sphere of Influence
City of Oceanside & Oceanside SCHD Sphere of Influence
1-mile buffer of Oceanside MSR Region
Oceanside MSR Region
City of Oceanside & Oceanside SCHD
City of Oceanside
City of Carlsbad
City of Vista
Winterwarm
Bonsall
Buena
Pacific Ocean
S STAGE COACH LN
OLIVE HILL RD
GIRD RD
CAM DEL REY
NORTH RIVER RD
GOPHER CANYON RD
DOUGLAS DR
FRAZEE RD
MISSION AV
MELROSE DR
E BOBIER DR
FOOTHILL DR
OCEANSIDE BL
COLLEGE BL
VISTA VILLAGE DR
MONTE VISTA DR
S COAST HY
EL CAMINO REAL
LAKE BL
S MELROSE DR
S SANTA FE AV
CARLSBAD BL
CANNON RD
PALOMAR AIRPORT
W SAN MARCOS
0 0.75 1.5 3 Miles
San Diego County Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California
This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright LAFCO and SanGIS. All Rights Reserved.This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This map has been prepared for descriptive purposes only and is considered accurate according to SanGIS and LAFCO data.
Created by Dieu Ngu -- 4/30/2024
1-mile buffer of MSR Region
City of Oceanside & SCHD SOIs
Morro Hills CSD SOI
Oceanside MSR Region
City of Oceanside & SCHD
Morro Hills CSD
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
SAN DIEGO
CHULA VISTA
Pacific Ocean
G:\GIS\PROJECTS\MSRs FY2019-2023\Oceanside Region\ArcGIS Oceanside MSR\Oceanside MSR imagery map.aprx

2.0 REPORT ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.[5] This includes addressing the mandatory service and governance factors required by the Legislature whenever San Diego LAFCO performs a municipal service review. The Executive Summary is proceeded by individual agency profiles (Chapter Three) of the three affected local agencies covered in this report that provide one or more municipal service functions in the Oceanside region. 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 is approximately 48 square miles in total size. The geographic area has been purposefully designated by the Executive Officer to cover all three affected local agencies' jurisdictional boundaries and existing spheres of influence in the Oceanside region along with the surrounding 1.0-mile buffer zone to capture immediately adjacent areas only for purposes of covering potential sphere and/or boundary changes in the next five year period. An illustration of the geographic area is provided in Map No. ES-1 on the preceding page.

4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

The Oceanside region serves as a historical flagship community anchoring northern San Diego County with a current estimated population approaching 180,000 - making it the third largest municipal footprint behind only San Diego and Chula Vista. The City of Oceanside – both as a municipality and at-large community – is the economic and social epicenter. It accounts for nearly all residents and jobs in the region. This also includes serving as a daily host to an additional 70,000 residents, workers, and visitors associated with Marine Corps Base Camp Pendelton to the immediate north.

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

Oceanside SCHD overlaps all of Oceanside with service functions focused on the approximate 100-acre Oceanside Harbor and its role as a micro hub for marine and pleasure activities serving locals and tourists.

The physical setting of the Oceanside region largely reflects a traditional suburban layout. Smaller single-family and multi-family residential lots dominate the older ~~blue-collar developments~~ neighborhoods in the City of Oceanside west of I-5 paired with local serving commercial corridors and headlined by Old Coast Highway. Densities gradually decrease eastward towards increasingly larger single-family residences via a series of subdivisions constructed between the 1950s and 2000s. The suburban layout cedes at South Morro Hills, which serves as Oceanside's unofficial greenbelt and remains – at least to date – largely agricultural with rural single-family residential uses. Morro Hills CSD lies immediately to the east of Oceanside's unofficial greenbelt and has already experienced its own transition away from ~~historical~~ largely commercial agricultural uses and ancillary residences to now mostly upscale residential estates paired with ancillary small husbandry (crop and animal production) activities. ~~.~~

A review of the Oceanside region relative to San Diego LAFCO's growth management tasks and interests produces seven central themes or conclusions. These conclusions collectively address core policy considerations and related growth and development factors present in the region. The conclusions also address potential sphere of influence changes among the three affected local agencies. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2018 and 2022 with limited exceptions and detailed within each of the agency profiles provided in the next chapter.

- **No. 1 | Introductory Municipal Service Review**
  This report represents the first comprehensive municipal service review dedicated to the Oceanside region and three affected local agencies under LAFCO oversight – City of Oceanside, Oceanside SCHD, and Morro Hills CSD. (Earlier municipal service reviews covering one or more of the affected agencies were part of countywide reports prepared in 2007 and 2009). The report consequently serves as a dual introduction. This is marked by introducing the affected agencies and their constituents in real-time to an otherwise unfamiliar and relatively detailed outside planning process. The introduction similarly introduces the Commission to the affected agencies and their service functions at depths previously unvisited with the underlying goal of establishing baseline information to track and measure going forward.

- **No. 2 | ~~Pivot to~~ Slower Growth - the Good (Community Empowerment)**
  The City of Oceanside – as an at-large community and as the epicenter of the region's economic and social well-being – has experienced a significant slow-down in growth starting in 2000 with the annual population change averaging 0.4% through the end of the five-year report period – or the net addition of two persons each day. This period change marks a five-fold decrease over the prior 20-year span (1980-2020) in which Oceanside averaged the net addition of 12 persons each day. This relatively seismic ~~pivot~~ shift towards slower growth appears largely attributed to changing resident demographics (e.g., older residents with higher incomes), market conditions, and the accompanying community empowerment to more directly influence development decisions~~organize opposition to otherwise unwanted developments~~; the latter reflected in a successful 2020 ballot referendum overturning the City Council's 2019 approval of a 585-unit residential project in South Morro Hills (North River Farms). Although the referendum was subsequently overturned and a smaller project approval followed, the referendum, nonetheless, marks a new level of community empowerment not previously exercised over land use decisions.

- **No. 3 | ~~Pivot to~~ Slower Growth – the ~~Bad~~ Challenge (Housing Affordability)**
  The shift towards slower growth within the City of Oceanside ~~'s pivot towards slower growth~~ starting in 2000 has contributed to a sizable acceleration in housing prices over the last 20 years and through the end of the five-year report period with the median home sale increasing from $195,800 to $784,800 – an average annual change of 14%. This period change marks a 50% rise over the prior 20-year span (1980 to 2020) in which median home sales experienced an average annual rise of 10%. The acceleration of home prices in Oceanside – among other outcomes – has noticeably impacted the private market's ability to construct new affordable workforce housing at the traditional entry levels – i.e., starter homes. This dynamic ~~is~~ties to multiple factors – including supply constraints and homeowners not upsizing – and reflected in the most recently completed housing element cycle (2013 to 2021) where only 23% of Oceanside's assigned housing share at moderate or lower levels received building permits. Permits issued through the first quarter of the current housing cycle (2021-2029) suggest housing affordability at the moderate or lower categories will similarly fall substantively short of goals, albeit at improved levels with current projections showing the attainment level reaching 36%.

- **No. 4 | Variations in Fiscal Health + Navigating Related Stresses**
  A prominent schism exists among the three affected agencies in the Oceanside region involving their fiscal well-being and navigating financial stresses. The City of Oceanside has steadied its financial position after several years of operating shortfalls in the General Fund in large part to successfully making the case to voters in 2018 to approve a seven-year one-half cent sales tax. Measure X reset Oceanside's overall sales tax rate to 8.25% with the additional revenue broadly earmarked to improve City infrastructure and public safety. Measure X has been a clear success; it has reversed shortfalls into surpluses and underlies a significant two-thirds increase in General Fund reserves ($66.5 to $112.5 million) over the reporting period. Nonetheless, the extension of the one-half cent sale tax beyond its current sunset date in 2026 remains a pronounced variable in Oceanside's near-term health and is expected to be taken up by voters in late 2024. While Oceanside's fiscal health largely ties to the present and near-term status of Measure X, the other two agencies' standing is comparatively more opaque, although for entirely different reasons. Oceanside SCHD, similar to its parent governing body, has steadied its actual expense-to-revenue relationship through incremental budgeting true-ups. These budgeting actions have contributed to a helpful increase of nearly one-fourth in SCHD's unassigned fund balance ($3.7 to $4.6 million) over the reporting period. However, the budgeting true-ups have not addressed decades of deferred or otherwise neglected maintenance. This qualifier is illustrated in capital assets (docks, pilings, piers, etc.) having surpassed their expected useful lives by more than two-fold and serves as a critical stress test for SCHD going forward. Unlike the other two agencies in the region, Morro Hills CSD has maintained a positive actual revenue-to-expense relationship through the reporting period without any hardships; at least that are known. The CSD operates entirely within the confines of the annual collection of its 1% property tax share, which netted $0.090 million at the end of the reporting period. Although CSD has been effective in keeping expenses in line with annual revenues – which is also reflected in an unassigned fund balance increasing by more than four-fifths ($0.142 to $0.267 million) during the period – less is known regarding pending costs. Specifically, no pavement rating has been performed on CSD's 6.0-mile roadway system nor has a capital improvement plan been prepared. These factors directly contribute to a subtle – but real and emerging – stress test.

- **No. 5 | Adequate Municipal Service Capacities with a Qualifier…**
  All three affected agencies in the Oceanside region have established sufficient and excess capacities involving their core municipal functions to meet both current and anticipated demands through the report's timeframe – at least on a macro level and irrespective of any micro limitations for specific areas. This overall sufficiency is reflected in the region's principal service provider – City of Oceanside – and its available resources involving water and wastewater, which traditionally represent the services most closely affiliated with either supporting or hindering new development. Markedly, and based on current demand-to-capacity ratios for the reporting period, it is estimated the water and wastewater systems can accommodate buildout populations of ~~970~~818,000 and 275,000, respectively. A material qualifier applies, nevertheless, to Oceanside's other services that are dependent on General Fund monies and the uncertain status of Measure X and its critical revenue enhancement beyond the current sunset date in 2026. This latter variable suggests added caution in the interim for LAFCO in considering boundary actions and their potential impact – advantageous and disadvantageous – on the Oceanside General Fund.

- **No. 6 | City of Oceanside's Role as an Urban Center + LAFCO Support**
  The City of Oceanside is favorably positioned to plan and accommodate additional growth and become a focal urban center for North County. This opportunity ties to Oceanside's role as a full-service municipality and the controls it provides paired with its physical location along existing major transportation corridors as well as planned expansions – including the modernization of rail (Metrolink and Amtrak) linking Oceanside throughout Southern California. This opportunity further ties and can be supported by LAFCO's own interests and duties to facilitate orderly and city-centered growth in step with providing housing for families at all income levels.

- **No. 7 | Proceeding with Limited Sphere Updates + Telegraphing Potential Changes with Special Study Areas**
  It would be appropriate for LAFCO to proceed with limited sphere of influence updates for all three affected regions in the Oceanside region and defer consideration of more comprehensive actions to the next municipal service cycle. The approach would involve proceeding with affirming all three agencies current designations without changes. It would also involve establish one or more specific special study areas to all three agencies to memorialize areas the Commission would allow to come forward over the next five-year period without

requiring a new municipal service review. A key example includes establishing dual study areas for Oceanside and Oceanside SCHD and their matching spheres to include an approximate 150-acre area immediately to the southwest near Sunset Drive and Melrose Way that qualifies as a DUC under local policy.

4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO and/or one or more of the three affected agencies in the Oceanside region based on information generated as part of this report. The recommendations are ordered in sequence to their placement in Section 5.0 (Written Determinations). Recommendations for LAFCO action are dependent on a subsequent directive from the Commission and through the annually adopted work plan.

1. As a long-term principle, LAFCO should prioritize and direct growth in the region to the City of Oceanside – including development that would otherwise occur in the surrounding unincorporated areas – and its appropriate role to serve as an urban center in San Diego County.

2. LAFCO – and for its own benefit under statute – should coordinate with SANDAG to develop current buildout estimates within the Oceanside region – including potential lot-splitting as allowed under Senate Bill 9 (Weiner) and incorporate the information into the next scheduled municipal service review.

3. LAFCO should coordinate with the County of San Diego to identify and map active wells and septic systems within the Oceanside region and incorporate the information into the next scheduled municipal service review.

4. Should Measure X's ½ cent sales tax expire during the timeframe of the report, all jurisdictional changes involving the City of Oceanside shall demonstrate de minimis impacts on the City General Fund unless overriding policy considerations are made by the Commission on a case-by-case basis.

5. It is appropriate for LAFCO to defer the identification and evaluation of mutual water companies in the Oceanside region as otherwise prompted in the LAFCO statute to a future informational report.

6. The City of Oceanside should revisit its arrangement with Oceanside SCHD involving the payment plan associated with the SCHD patrol vessel to account for the City's usage of the capital asset outside of the Oceanside Harbor.

7. Morro Hills CSD should explore options to contract with the City of Oceanside or the County of San Diego to provide road maintenance services at a pre-agreed hourly rate to help protect the CSD from variables – costs and availability – associated with the current practice to utilize private contractors as needed.

8. As the City of Oceanside proceeds to implement the initial phases of its novel Re-Beach program, it would be pragmatic to explore opportunities to enlist other local agencies in consolidating efforts - functional or political - given inescapable impacts and interests in beach restorations along the greater coastline. LAFCO should assist if Oceanside and/or other stakeholders wish to explore a political model to organize sand nourishment on a larger scale.

9. Efforts should be taken by Oceanside SCHD to publicly distinguish its role as a stand-alone governmental entity separate from the City of Oceanside.

10. Oceanside SCHD should formalize its existing relationship with the City of Oceanside through an official memorandum of understanding to clearly outline roles and responsibilities as well as associated costs in utilizing City staff, supplies, and resources in carrying out District duties.

11. Oceanside SCHD informally deactivated its previously authorized and active patrol and rescue municipal function in 2009 in step with these responsibilities being assumed by the City of Oceanside. SCHD's legal authorization to provide patrol and rescue – however – remains active under State law. To clarify service expectations and mitigate potential liabilities, SCHD should formally request divestiture approval under Government Code 56824.10.

12. LAFCO is aware there is community interest in exploring the reorganization of Oceanside SCHD into an independent agency to provide direct constituent influence on decision-making. It would be appropriate for the Commission to consider authorizing a future governance study to assess alternatives – functional and political – for the benefit of both agencies and their shared constituents with the understanding any actual change to the governance structure would be subject to protest proceedings and potentially an election. ~~.~~

13. It appears appropriate for LAFCO to proceed with limited spheres of influence updates for both the City of Oceanside and Oceanside SCHD to affirm the existing designations with one or more common special study areas.

    (a) One special study area has been identified to date and spans nearly 150 acres covering DUC lands located immediately southwest of the agencies near Sunset Drive and Melrose Way; it also currently lies within the Vista sphere. Establishing this special study area would provide LAFCO the opportunity to discuss the potential annexation of the DUC lands with both Vista and Oceanside and in doing so help facilitate the delivery of elevated municipal services to the community consistent with State law.

14. It appears merited for LAFCO to partner with the Morro Hills CSD in sponsoring or otherwise supporting a legislative change to the principal act to reduce the number of Board members from five to three consistent with existing special provisions in State law.

~~14.~~15. The Morro Hills CSD Board should revisit conditions on Sleeping Indian Road and its most recent traffic assessments and the analysis therein that appears to support a significant increase in the speed limit. This includes assessing whether the Board's ability to retain a speed under the 85th percentile standard under the recent passage of AB 43 is either available or appropriate.~~.~~

16. It would be advantageous for Morro Hills CSD to explore interest among adjacent landowners that presumably benefit and use the road system to annex and have direct participation in Board decision-making while concurrently expanding the CSD property tax base.

17. LAFCO should help coordinate discussions with Morro Hills CSD and County of San Diego Sherriff's Office to identify opportunities to enhance traffic enforcement within the CSD jurisdictional boundary relative to available resources. This includes, but not necessarily limited to, activating CSD's police protection power to fund enhanced enforcement – directly or by contract.

~~15.~~18. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for Morro Hills CSD to affirm the existing designation with the addition of a special study area. The special study area represents the notional expansion of the CSD to capture adjacent lands that presumably use and benefit

from the roadway system.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 as part of the municipal service review on the Oceanside region. 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 organization, delivery, and funding of municipal functions and associated classes among the three affected agencies specific to LAFCO's growth management responsibilities and interests.

Report's Brass Tacks...
These determinations address the specific factors required in the statute and represent statements of reasonable facts or deductions made by LAFCO based on information analyzed between 2018 and 2022. The sum total of these determinations informs a comprehensive assessment of the availability, demand, and performance of municipal services in the Oceanside region through the LAFCO lens.

5.1 Growth Projections & Related Demographics

1. With respect to full-time resident population totals within the Oceanside region, LAFCO independently makes the following statements.

   (a) The total resident population in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries is estimated at 174,615 at the end of the five-year report period. This amount represents 4% of the overall resident population estimate in San Diego County.

   (b) The total resident population in Oceanside SCHD's core service area – Oceanside Harbor – is 151 at the end of the five-year report period and entirely associated with the 86 permitted liveaboards.

   (b) The total resident population in the Morro Hills CSD jurisdictional boundary is estimated at 1,001 at the end of the five-year report period. This amount represents less than 0.1% of the overall resident population estimate in San Diego County.

2. With respect to full-time resident population trends within the Oceanside region, LAFCO independently makes the following statements.

   (a) The total change in the resident population within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries during the five-year report period is estimated at 2.0% - or 0.4% annually. This estimate – which translates to an average increase of 522 residents annually or 1.4 daily – falls one-fifth below the countywide growth rate of 0.6% and reflects a more recent gravitation towards slower growth in Oceanside.

   (b) LAFCO defers from making any estimates on resident population changes within Morro Hills CSD during the five-year report period. This deferral is appropriate given earlier census information is not readily available for the two affected block groups underlying the jurisdictional boundary.

3. It is reasonable to assume recent population growth trends for the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries will continue forward through the timeframe of this report. This assumption generates a shared population projection of 178,165 by 2027 via the average net addition of 2.0 residents each day over the succeeding 60 months.

4. It is reasonable to assume Morro Hills CSD's resident population growth in the near term will generally match the recent countywide rate of 0.6% annually. This assumption supports a population projection for the CSD of 1,031 by 2027. It is relatedly reasonable to assume the majority of the additional population will be generated from accessory dwelling unit construction.

~~4.~~5. The Oceanside region's physical setting near existing and planned public transportation corridors coupled with ready access to urban-supporting services suggest substantive growth will occur given the insistent demand for housing in the greater San Diego metropolitan area.

~~5.~~6. Proportionally directing more growth towards the City of Oceanside – and by extension, Oceanside SCHD - merits policy consideration by LAFCO and other regional planning bodies. This policy orientation relatedly serves as additional justification for the Commission to facilitate or otherwise accommodate jurisdictional changes to Oceanside that would otherwise occur in the county.

~~6.~~7. With respect to housing supply and related growth issues within the Oceanside region, LAFCO independently makes the following statements.

(a) It is estimated the housing stock within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries experienced a net increase of 1,625 units – or 325 annually – during the five-year reporting period. This results in an overall (historical) unit-to-resident ratio of 1.0 to 2.6.

(b) It is estimated the unit-to-resident ratio within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries generated during the five-year report period has been 1.6 to 1.0. This ratio marks a two-fifth improvement over the historical ratio of 2.6.

(c) It is estimated the total housing stock within the Morro Hills CSD jurisdictional boundary tallies 396. This results in an overall (historical) unit-to-resident ratio of 2.5.

(d) LAFCO defers from making any estimates on additional housing construction within the Morro Hills CSD jurisdictional boundary during the five-year report period. This deferral is appropriate given earlier census information is not readily available for the two affected block groups underlying the jurisdictional boundary.

8. With respect to housing costs and related growth issues within the Oceanside region, LAFCO independently makes the following statements.

(a) It is estimated the average five-year mean housing cost (mortgage and rent) within the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries tallies $2,248. This represents a one-fifth increase over the prior five-year average.

(b) It is estimated households in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries are spending 28% of their pre-tax income just on rent or mortgage payments. This estimate increases to ~~33~~36% (renters) and 45% (homeowners) when adding ~~basic utilities~~ancillary housing costs.

(c) The average home value in the City of Oceanside and Oceanside SCHD and their matching jurisdictional boundaries has separately increased by 60% over the five-year report period from $522,082 to $831,328. This generates a home price-to-income ratio estimate of 8.6.

~~(c)~~(d) It is estimated the average five-year mean housing cost (mortgage and rent) within the Morro Hills CSD's jurisdictional boundary tallies $2,939. This represents a 14% increase over the prior five-year average.

~~(d)~~(e) It is estimated households in the Morro Hills CSD jurisdictional boundary are spending 24% of their pre-tax income just on rent or mortgage payments. This estimate increases to 30% (renters) and ~~29~~36% (homeowners) when adding ~~basic utilities~~ancillary housing costs.

~~(e)~~(f) The average home value in the Morro Hills CSD jurisdictional boundary has increased by 58% over the five-year report period from $550,771 to $872,987. This generates a home price-to-income ratio estimate of 6.0.

9. LAFCO should coordinate with SANDAG to develop current buildout estimates within the Oceanside region and incorporate the information into the next scheduled municipal service review. This should include assessing potential impacts tied to the recent passage of Senate Bill 9 (Weiner) and allowance for additional lot splitting.

10. A review of demographics shows substantive distinctions in the Oceanside region between residents within the City of Oceanside and Oceanside SCHD versus residents within the Morro Hills CSD with respect to age, income, and education. These distinctions are detailed as follows:

    (a) It is estimated residents within the City of Oceanside and Oceanside SCHD and their matching boundaries finished the five-year report period with a median age of 39 and an average household income of $97,238. The portion of residents 25 or older with four-year degrees totals 37%.

    (b) It is estimated residents within the Morro Hills CSD boundary finished the five-year report period with a median age of 43 and an average household income of $146,289. The portion of residents 25 or older with four-year degrees totals 52%.

11. Based on recent annual counts, the number of homeless in the City of Oceanside and Oceanside SCHD and their matching boundaries has increased during the five-year report period from 483 to 514 – a difference of 6%. The most recent count also shows 62% – or 318 – of the total being unsheltered and residing in cars, public places, or the street.

12. At the end of the five-year report period, there was one counted homeless in the City of Oceanside and Oceanside SCHD and their matching boundaries for every 340 housed residents – i.e., 1-to-340. This reflects a relative intensity in homelessness of ~~4~~5% over the prior 60-month ratio of 1-to-355.

13. The number of shelter beds (emergency, transitional, etc.) in Oceanside at the end of the five-year report period tallies 378. This capacity generates a baseline shortage of (136) beds to accommodate all counted homeless.

14. No information readily exists to estimate homelessness in Morro Hills CSD.

5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities and Relevant Information on Water, Wastewater, and Fire Protection Services.

1. None of the three affected agencies in the Oceanside region – City of Oceanside, Oceanside SCHD, and Morro Hills CSD – have lands within their existing boundaries or spheres of influence qualifying as disadvantaged unincorporated communities – or DUCs – under LAFCO policy.

2. Camp Pendelton lies immediately adjacent to all three affected agencies' boundaries and spheres of influence in the Oceanside region. These adjacent lands qualify as DUCs under LAFCO policy with water, wastewater, and fire protection services currently provided by internal Marine Corps operations. The adequacy of these services has not been analyzed.

3. Approximately 150 acres of additional DUC lands under LAFCO policy lie immediately adjacent to the City of Oceanside and Oceanside SCHD and their matching boundaries. These additional DUCs are located to the immediate southeast of the agencies near Sunset Drive and Melrose Way; they are also within the Vista sphere of influence.

(a) Given annexation to Vista remains uncertain and potentially improbable, LAFCO should consider the merits of the above-referenced DUCs to the Oceanside sphere as a special study area.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The following statements apply to the City of Oceanside and address the availability, adequacy, and performance of the five targeted municipal service functions underlying Oceanside's growth and development evaluated in this report: (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development.

   (a) With respect to the City of Oceanside's potable water function:

      i. Oceanside's potable water services extend throughout the jurisdictional boundary except for rural and agricultural uses in the South Morro Hills area. Oceanside self-attests it does not provide any out-of-agency potable water services at the end of the reporting period.

      ii. Oceanside's potable water service operates as an enterprise and the total per household net revenue at the end of the five-year report period is estimated at $190.

      iii. Approximately 90% of Oceanside's potable water supplies retailed during the five-year report period have been imported through the County Water Authority. The remaining 10% are local and involve pumped subterranean flows from the San Rey Luis River.

      iv. Oceanside's average potable water demand during the five-year report period equals ~~62.6~~59.4 acre-feet daily. This amount translates to estimated daily averages for each resident and household of ~~118~~ 112 gallons and ~~348~~ 330 gallons, respectively.

      ~~v.~~ Oceanside's overall potable water demands have ~~increased~~ decreased by ~~8~~(4%) during the five-year report period despite a corresponding increase in the estimated population of 2,611 or 2%. ~~with the majority of the rise attributed to changes between the fourth and fifth years. The~~

~~reasons for the accelerated demands at the end of the period are unclear~~are attributed by Oceanside to societal changes associated with COVID and increases in residential uses associated with telework ~~practices.~~

~~vi.~~v. The average potable water demand generated during the five-year report period for the entire distribution system (annual and daily) is estimated to equal 12% of Oceanside's maximum available supplies based on infrastructure capacities. This measurement estimate rises to 22% when applying Oceanside's average peak-day demands.

~~vii.~~vi. It is estimated Oceanside's available potable water storage capacity can accommodate up to 2.~~5~~ 6 days of normal usage based on average demands generated over the five-year report period without requiring recharge This amount falls below the industry standard of maintaining no less than 3.0 days of potable supply.

~~viii.~~vii. LAFCO should coordinate with the County of San Diego to identify active groundwater wells within Oceanside and incorporate the information into the next scheduled municipal service review.

(b) With respect to the City of Oceanside's wastewater function:

i. Oceanside's wastewater function and related classes (collection, treatment, and discharge) extends throughout most of the jurisdictional boundary except for rural and agricultural uses in the City's South Morro Hills neighborhood.

ii. Oceanside maintains two grandfathered out-of-agency wastewater service agreements that involve collecting, treating, and discharging flows from Rainbow MWD and portions of the City of Vista. Oceanside attests to no other out-of-agency wastewater services.

iii. Oceanside's wastewater services operates as an enterprise and the total per household net revenue at the end of the five-year report period is estimated at $279.

iv. Oceanside's wastewater service is divided between two distinct service areas based on directing flows to one of two City-owned treatment facilities: San Luis Rey and La Salina. The current split in wastewater customers between these two facilities is estimated at 75-25.

v. Oceanside's average wastewater demand during the five-year report period within the La Salina service area equals 2.5 million gallons daily. This measurement has decreased by (7.3%)

vi. Oceanside's average wastewater demand during the five-year report period within the San Luis Rey service area equals 7.9 million gallons daily. This measurement has increased by 3.5%.

vii. The combined average day flow generated in Oceanside's two wastewater service areas during the five-year report period equals 10.5 million gallons with an overall period change of 0.7%.

viii. The combined average day wastewater flow within Oceanside during the five-year report period on a per capita measurement is estimated at 60 gallons. This translates to an average household wastewater demand estimate of 177 gallons.

ix. Oceanside's two treatment facilities at San Luis Rey and La Salina are operating with excess daily capacities of no less than 42% of their permitted allowances under normal conditions based on average demands during the five-year report period.

x. It is estimated Oceanside's excess daily discharge capacity via the Oceanside Ocean Outfall is 37% based on average demands during the five-year report period. This available capacity translates to 6.1 million gallons and serves as a relatively fixed cap with respect to accommodating future growth and development.

xi. It is estimated Oceanside has available wastewater infrastructure – including outfall capacity – to accommodate up to 34,223 additional households assuming the demand-to-capacity ratio for the five-year report period holds. This translates to a wastewater-system buildout population estimate of 275,592.

xii. LAFCO should coordinate with the County of San Diego Environmental Health to identify active septic systems in Oceanside and incorporate this data into the next scheduled municipal service review.

(c) With respect to the City of Oceanside's integrated fire protection, emergency medical, and ambulance functions:

i. Oceanside's General Fund monies have covered 98% of the integrated fire protection function and related classes' actual expenses during the five-year period. The total per capita General Fund expense at the end of the five-year report period is $206.

ii. Personnel serves as the primary infrastructure resource for Oceanside's integrated fire services with total budgeted positions rising by 14% to 136 full-time equivalents through the end of the five-year report period The ending amount translates to 0.8 fire personnel for every 1,000 residents.

v. Actual onsite demands for Oceanside's integrated fire services during the five-year report period have increased by one-fifth from 44 to 47 per day. This latter amount equals one onsite response every 30 minutes over 365 days over 60 months.

vi. Calls resulting in ambulance transport in Oceanside have averaged 26 daily during the five-year report period with an overall increase of 15%. The average translates to more than one-half of all onsite fire service responses now requiring ambulance transport.

vii. Oceanside's integrated fire service capacities appear sufficiently sized to readily accommodate demands through the timeframe of the report. This statement is reflected in – and among other measurements – Oceanside's ability to respond exclusively to 82% of all onsite incidents within its boundary during the five-year report period while concurrently absorbing an 18% increase in demands.

(d) With respect to the City of Oceanside's parks and recreation function:

i. Oceanside's General Fund has covered 95% of its parks and recreation function and related classes' (aquatics, parks and open space, and community recreation classes) actual expenses during the five-year report period. The total per capita General Fund expense at the end of the period is estimated at $32.

ii. Oceanside's aquatics and parks and open space classes have experienced substantive capacity expansions during the five-year report. These expansions are marked by completing two planned capital improvements that collectively elevate the El Corazon complex as a regional recreational hub.

iii. Although Oceanside's community recreation class did not experience a capacity expansion during the five-year report period, ongoing adaptions continue to better align resources with needs with an increasing focus on seniors. This includes starting and expanding a senior nutrition program and establishing a variety of senior ~~art ("zine")~~ classes.

iv. Oceanside's ~~414~~ 426 acres of beach and parkland acreage at the end of the five-year report period translates to 2.4 acres for every 1,000 residents. (Ratio does not count acreage at Oceanside's two municipal golf courses.) This ratio is ~~more than~~ nearly one-fifth – or the equivalent of ~~110.3~~98.2 acres – below the minimum municipality standard of 3.0 acres of parkland for every 1,000 residents in State law (Quimby Act).

v. Oceanside maintains a joint-use agreement with Oceanside Unified School District that provides the City access to an additional 115 acres of parkland. This agreement – and among other benefits – bridges the existing gap under the Quimby Act and raises Oceanside's parkland ratio to 3.~~0~~ 1 acres for every 1,000 residents.

vi. Oceanside General Plan includes a policy directive to "strive" to achieve 5.0 acres of parkland acreage for every 1,000 residents. Oceanside would need to add ~~460~~ 447 acres to meet this marker based on the estimated population at the end of the five-year report period.

(e) With respect to the City of Oceanside's community development function:

i. Oceanside's General Fund has covered 8% of the community development function and associated classes' (planning, building, code enforcement, engineering, and housing assistance) actual expenses during the five-year report. The total General Fund per capita expense at the end of the period is estimated at $70.

ii. The average annual volume of development application filings transacted through Oceanside and its planning class has been 183 with an overall change of (5%) in the five-year report period. Resources have trailed demands with the annual ratio of submittals-to-actions rising three-fourths from 2.5 to 4.3. The period average is 3.0.

iii. The average annual volume of permit issuances transacted by Oceanside and its building class has been 4,395 with an overall change of 97% in the five-year report period. Additional analysis is needed to provide a meaningful comparison between resources and demands relative to turnaround.

iv. The average annual number of case openings by Oceanside and its code enforcement class has been 5,425 with an overall change of (11%) in the five-year report period. Resources have kept pace with demands with the average annual ratio of case openings to case closures of 1.0 with minimal changes during the period.

v. The average annual volume of filings received by Oceanside and its engineer class involving landscape plans and grading permits has been 71 with an overall change of 47% in the five-year report period. Resources have trailed demands with an annual ratio of submittals to actions increasing three-fold from 1.2 to 4.7. The period average is 2.2.

vi. The housing voucher program administered by Oceanside and its housing assistance class finished the five-year report period with 1,341 participants - an amount that has remained relatively fixed with nearly 4,800 on a waiting list. It is estimated the time to transition from waitlist to participant is approximately 10 years based on recent trends.

Additional analysis is needed to assess and compare the turnaround relative to other jurisdictions.

2. The following statements apply to the Oceanside SCHD and address the availability, adequacy, and performance of its two active municipal functions as categorized by LAFCO: marina and dredging.

   (a) With respect to Oceanside SCHD's marina function:

      i. SCHD's marina function and related classes (wharf, pier, harbor basins, boat launch, beach and camping, streets and sidewalks, and parking classes) serve as the agency's core public-facing activity. It also accounts for 100% of all budgeted and actual resources transacted during the five-year report period.

      ii. SCHD's marina services operate as an enterprise with actual revenue averaging $8.3 million during the five-year report period with four-fifths coming from boat slip fees. Actual expenses have averaged $9.9 million resulting in a total margin of (20%).

      iii. The wharf class involves operating approximately 350,000 square feet of commercial spaces along Oceanside Harbor. SCHD reports a 100% lease occupancy rate at the end of the five-year report period. There have been no substantive class changes.

      iv. The pier class involves operating an approximate 50-foot pier at the center of Oceanside Harbor. The pier is dedicated to fishing and can accommodate up to 12 users. SCHD does not track usage. There have been no substantive class changes during the five-year report period.

      v. The harbor basin class involves operating 26 piling docks and 954 boat slips with 890 dedicated to monthly permittees. All 890 leasable boat slips are taken with a total waiting list of 210 at the end of the five-year report period. There have been no substantive class changes.

vi. The boat launch class involves operating a single concrete pad with four boarding floats. The boat launch can accommodate up to six vessels at any one time. SCHD does not track usage. There have been no changes to this class during the five-year report period.

vii. The beach and camping class involves operating Harbor Beach and its related amenities – including 24-hour public restrooms. Vehicle camping is allowed year-round in the Harbor Beach parking lot with a five-night limit in any 30-day period. SCHD does not actively track usage. There have been no substantive changes to this class during the five-year report period.

viii. The parking class involves operating 15 surface lots with a combined capacity of 1,690 spaces. Exactly three-fourths – or 1,277 – of all parking spaces are unreserved with two-thirds of this portion being free with specified hour limitations. SCHD does not actively track usage. There have been no changes to this class during the five-year report period.

ix. Relative to overall considerations, the marina function appears to be performing satisfactorily in balancing community needs with available resources through the end of the five-year report period. This statement is reflected in – and among other measurements – constant demand for its two primary revenue sources: boat slip permittees and commercial leases.

x. Notwithstanding the preceding statement, the ability of SCHD to continue to balance community needs and available resources underlying the marina function is increasingly stressed due to years of under-prioritized maintenance and improvements. This historical practice has left an estimated $28.0 million in needed improvements to stabilize core infrastructure in the Oceanside Harbor over the next 15 years; an amount more than three times greater than the average annual revenue collection during the five-year report period.

(b) With respect to the Oceanside SCHD's dredging function:

i. SCHD's dredging function and related classes (channel clearing and beach restoration classes) has been limited to an advisory and related sponsorship role with the U.S. Army Corps of Engineers.

ii. SCHD does not own, lease, or otherwise have any infrastructure or equipment in support of dredging. Further, SCHD has not budgeted, collected, or expended any resources in support of the dredging function during the five-year report period.

iii. SCHD indirectly supports its dredging function administratively via its budgeted marina function by advising with the U.S. Army Corps of Engineers and their annual commitment to clear the Oceanside Harbor inlet given its shared use by Camp Pendelton.

iv. The annual dredging performed by the U.S. Army Corps of Engineers generally takes place in late spring and takes two to four weeks to complete at an approximate cost of $~~3~~6.5 million. This amount equals ~~more than~~nearly ~~one~~two-thirds of SCHD's average actual expenses during the five-year report period.

v. The average yearly volume of sand dredged from the inlet during the five-year report period has been 257,019 cubic yards, which translates to covering approximately 160 acres at a one-foot depth (dry sand). ~~feet.~~

vi. Sand dredged by the U.S. Corps of Engineering as part of the annual channel clearing is pumped onto the beaches north and south of the Oceanside Pier~~north end of Harbor Beach~~ as part of a sand ~~replenishment~~ renourishment program. Oceanside – and not SCHD – budgets approximately $0.600 million annually to support the federal dredging program. ~~covers the costs to replenish the sand along Harbor Beach and further south as volume permits.~~

vii. Despite the annual replenishment performed by the U.S. Corps of Engineering, Oceanside estimates Harbor Beach is currently losing 2.4 feet a year to drift erosion.

3. The following statements apply to Morro Hills CSD and address the availability, adequacy, and performance of its lone active municipal function: streets.

   (a) With respect to the street function:

      i. CSD's street function and related classes (signage, drainage, and traffic) tie to maintaining a 6.0-mile roadway network via routine paving, patching, and signage upkeep. CSD also periodically prepares traffic assessments to help inform calming measures.

      ii. CSD's street function operates as a non-enterprise and is dependent on all-purpose revenues given all deliverables (i.e., roads) do not readily tie to collecting user fees.

      iii. CSD's allocation of the 1% in property taxes – averaging $0.091 million over the five-year report period – serves as the dominant funding resource for the street function and defines capacity limitations.

      iv. There have been no expansions to CSD's roadway network in terms of scale since the late 1960s. No expansions are anticipated within the report's timeframe.

      v. CSD's focus over the last two decades and through the five-year report period has been to maintain existing service levels and explore traffic calming measures. These latter efforts are marked by periodically contracting with engineers to prepare traffic assessments on volume and speed conditions within the CSD. The last two assessments were completed in 2008 and 2021.

      vi. No significant infrastructure needs or deficiencies were identified in either of CSD's 2008 and 2021 traffic assessments with one material exception. This exception dates to the 2008 assessment and recommendation based on traffic conditions that the speed limit along one of CSD's three primary roads – Sleeping Indian Road – should be increased from 35 to 45 mph. This recommendation has not been addressed despite data in the most recent assessment confirming the merit and need to raise the speed limit.

4. Additional information is needed to determine the number of mutual water companies and associated infrastructure conditions in the Oceanside region as prompted under the LAFCO statute. The Commission defers this analysis to a future informational report.

5.4 Agencies' Financial Ability to Provide Services

1. All three affected agencies in the Oceanside region operate with significantly different financial means and resources in providing municipal services.

2. The following determinations are specific to the City of Oceanside.

   (a) The City of Oceanside's average actual annual costs during the five-year report period tallies $492.9 million with an ending amount of $570.8 million. The overall period change is 31%. It is estimated the average total actual per capita cost over the 60-month period is $2,850.

      i. Actual annual General Fund expenses for Oceanside are on the rise and marked by the annual per capita share increasing by 25% from $947 to $1,179 over the five-year report period year.

   (b) Measure X's ½ cent sales tax starting in April 2019 has been a success in balancing the City of Oceanside's General Fund. Markedly, Measure X has reversed a prior actual General Fund deficit~~s~~ and has generated a positive actual annual per capita revenue-to-expense difference each year post implementation with an average net of $63 ~~or 6%~~. Measure X's scheduled expiration in 2026 merits attention with Oceanside expected to sponsor an extension in November 2024.

   (c) The City of Oceanside's average actual annual revenues during the five-year report period tallies $530.5 million with an ending amount of $620.6 million. The overall period change is 38%. It is estimated the average total actual per capita cost over the reporting period is $3,067.

      i. Actual annual General Fund revenues for Oceanside are on the rise and marked by the annual per capita share rising by ~~32~~35% from $903 to $1,223 over the five-year report period year.

(d) The City of Oceanside's spendable unrestricted reserves within its General Fund totals $96.8 million at the end of the five-year report period and is equal to five months of operating expenses.

i. Oceanside met its adopted General Fund reserve policy to maintain no less than amounts equal to 12% of operating expenses in ~~four o~~all ~~f the~~ five years covering the reporting period. ~~The lone exception involved FY2020 and attributable to COVID-19 impacts~~.

(e) The City of Oceanside's audited net position covering all City funds has increased over the five-year report period by one-fourth from $909.6 million to $1.136 billion. This change tracks with a per capita measurement and its estimated 23% increase from $5,275 to $6,507.

i. Oceanside's audited and accrued unrestricted fund balance less pension and related liabilities at the end of the five-year report period is sufficient to cover 12.0 months of total actual expenses.

ii. Oceanside's liquidity levels are considered high as measured by a days' cash ratio – or burn rate – of 691 at the end of the five-year report period. This measurement improved by one-fifth and positions Oceanside to readily cover short-term obligations without concern.

iii. Oceanside's capital levels are considered average as measured by an otherwise moderate debt ratio of 24% at the end of the five-year report period. This measurement has improved by one-fifth and positions Oceanside with up to three-fourths of its assets to leverage toward financing big-ticket improvements going forward.

iv. Oceanside's average annual total margin – or bottom line – during the reporting period has been 14% with positive closings in all five years. This measurement shows Oceanside has been effective in the bottom-line management of its resources throughout the reporting period.

v. Oceanside's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by 39%. This deficiency merits attention going forward.

(f) The City of Oceanside's total employer pension contribution paid to CalPERS at the end of the five-year report period totals $30.2 million and equals 37% of payroll – an increase of more than one-fifth.

i. Oceanside's total funded pension ratio at the end of the five-year report period is 74% and reflects an overall change of less than (1%). This ratio is considered average relative to other local agencies.

(g) The City of Oceanside's pay-as-you-go annual OPEB expense totals $1.063 million at the end of the five-year report period. This amount represents a net increase of $0.552 million – or 108% – over the preceding 60 months.

i. Oceanside's accrued liability for OPEB totals $9.706 million at the end of the five-year report period. This amount represents a net increase of $3.917 million – or 68% – over the preceding 60 months.

3. The following determinations are specific to the Oceanside SCHD.

(a) Oceanside SCHD's total actual expense at the end of the five-year report period equals $8.750 million with 80% covering staff support services with Oceanside. Overall, the variance between actual and budgeted expenses during the reporting period falls slightly higher at 3.3%.

(b) Oceanside SCHD's total actual revenue at the end of the five-year report period equals $8.963 million with 74% generated from boat slip fees. Overall, the variance between actual and budgeted revenues during the reporting period is slightly lower at (3.5%).

(c) Oceanside SCHD finished the five-year report period with an unassigned fund balance of $4.600 million. This amount is sufficient to cover 6.3 months of actual costs.

(d) Oceanside SCHD's audited net position has increased during the five-year report period by one-tenth from $13.360 to $14.931 million. This change parallels the difference in the per capita measurement and its own 10% increase from $78 to $86.

i. SCHD's liquidity levels are considered relatively high as measured by a days' cash ratio – or burn rate – of 256 at the end of the five-year report period. Although this measurement experienced an overall decline of (one-fifth) over the preceding 60 months, it continues to position the SCHD to readily cover short-term obligations without concern.

ii. SCHD's capital levels are considered high as measured by a low debt ratio of 4% at the end of the five-year report period. This measurement incorporates a three-fifths improvement over the preceding 60 months and positions SCHD with significant capital resources to finance big-ticket improvements going forward.

iii. SCHD's average annual total margin during the five-year report period has been 5% with positive closing amounts in all five years. This measurement shows the SCHD has been effective in bottom-line management of its resources throughout the reporting period.

iv. SCHD's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by nearly three-fold – i.e., more than 300%. This measurement undercuts the otherwise positive liquidity and capital levels and underscores the need for capital improvements.

(e) Oceanside SCHD does not have any recorded pension or other post-employment benefit obligations.

4. The following determinations are specific to the Morro Hills CSD.

(a) LAFCO staff requested but did not receive copies of budget materials or quarterly financial reports covering the five-year report period from Morro Hills CSD. These materials are also not available on the CSD website, although they should be.

(b) Morro Hills CSD finished the five-year report period with an unassigned fund balance of $0.267 million. This amount is sufficient to cover 134 months of recent actual costs.

(c) Morro Hills CSD's audited net position mirrors asset holdings and has increased during the five-year report period by more than one-fourth from $0.454 million to $0.579 million.

(d) Analysis of the standard fiscal measurement categories – liquidity, capital margin, and asset management – regarding Morro Hills CSD has limited value given the agency's relatively stagnant fiscal activity during the five-year report period. The lone exception involves CSD's total margin ratios and its value as a bottom-line accounting measurement tool.

i. CSD's overall average total margin during the reporting period has been 39% with positive year-end amounts achieved in four of the five years. This measurement shows the CSD has ultimately been effective in bottom-line management of its available resources.

(e) Morro Hills CSD does not have any recorded pension or other post-employment benefit obligations.

5.5 Status and Opportunities for Shared Facilities & Resources

1. The City of Oceanside and – albeit to a lesser degree – Oceanside SCHD have established responsive shared facilities and resources with other agencies and organizations in fulfilling their responsibilities to provide specified municipal functions to their common constituents.

2. The City of Oceanside and Oceanside SCHD mutually benefit from their existing relationship specific to their joint economic and social interest in promoting the Oceanside Harbor. The relationship harmonizes the planning and use of the Oceanside Harbor while helping to economize costs for the mutual benefit of the agencies' shared constituency.

3. The City of Oceanside has been proactive in economizing all of the five targeted municipal service functions evaluated in this report through various collaborations and partnerships.

(a) The City of Oceanside maintains nine interconnections that can be used to cross-share potable water with neighboring agencies during short-term emergencies or planned shutdowns involving the San Diego Aqueduct.

Three of these connections are with Rainbow MWD, two are with Carlsbad MWD, three are with Vista ID, and one is with Camp Pendleton. Oceanside also has the ability to treat water at its Reese facility and provide back to the Vallecitos WD, Vista ID, and County Water Authority.

(b) The City of Oceanside and Rainbow MWD mutually benefit from a cost-sharing arrangement involving wastewater dating back to 1973 marked by economizing public facilities and avoiding duplicative infrastructure. Through this arrangement, Rainbow contributed to Oceanside's share of construction costs for the Oceanside Ocean Outfall while providing an ongoing compensated relationship for the City to collect, treat, and discharge up to 1.5 million daily gallons of flows from Rainbow.

(c) The City of Oceanside is part of a joint-powers authority known as "North Comm" and includes the Cities of Vista, San Marcos, Solana Beach, Encinitas, and Carlsbad as well as the North County FPD. This arrangement provides efficiencies for the member agencies and their constituents by providing coordinated dispatching emergency communication services for public safety within the member agencies' boundaries.

(d) The City of Oceanside maintains a joint-use agreement with Oceanside Unified School District to cross-share public resources for mutual citizenry benefit involving parks and recreation. This agreement – pertinently – bridges the existing gap for Oceanside in meeting the statewide ratio standard of making available 3.0 acres of parklands for every 1,000 residents. The agreement conversely provides the District with facility maintenance from Oceanside as well as access to City swimming facilities.

(e) The City of Oceanside and Carlsbad share community development resources in establishing a joint-power authority to cooperatively advance and guide the State's otherwise stalled restoration of the Buena Vista Lagoon – an approximate 220-acre freshwater body located in between the two municipalities. The Buena Vista Lagoon is California's first designated ecological reserve dating back to 1968 and its restoration has stalled over several years due to a lack of community consensus on the next steps.

4. Oceanside SCHD makes effective use of Oceanside's Harbor and Beaches Advisory Committee in vetting and developing consensus in guiding resources at the Oceanside Harbor. This includes creating a regular opportunity for wharf tenants, slip permittees, and liveaboards to identify volunteer opportunities for the mutual benefit of all Harbor users.

5. Oceanside SCHD continues to effectively partner in an advisory role with the U.S. Corps of Engineering in organizing the Corps' annual dredging of the Oceanside Habor. This partnership provides SCHD and its constituents the equivalent of an annual $3.5 million benefit that would otherwise necessitate an approximate one-third increase to the operating budget.

6. Notwithstanding other statements, additional cost-sharing resources between the City of Oceanside and Oceanside SCHD merit consideration involving SCHD's patrol boat; the latter having been purchased by SCHD in 2016 for $0.500 million through funds advanced by the City as part of a long-term payment plan. Since the patrol boat is ~~commonly~~ periodically used by Oceanside outside the Oceanside Harbor, it seems appropriate for SCHD to receive a proportional credit against its annual repayments based on actual City usage going forward.

7. It would be beneficial for Morro Hills CSD to explore a service agreement with the City of Oceanside to provide contract road maintenance at a pre-agreed hourly rate. This type of arrangement could help protect the CSD from variables – costs and availability – associated with current practice to utilize private contractors as needed.

5.6 Local Accountability and Government Restructure Options

1. All three affected agencies in the Oceanside region are led by responsive officials – elected and appointed – and illustrated by holding regular meetings, timely posting of agendas and minutes online, and being accessible to the public – including readily responding to LAFCO inquiries throughout the preparation of this report. These measurables help maintain public trust to ensure constituents' ongoing financial investment via property taxes, special assessments, and/or user charges are warranted.

2. The City of Oceanside is the principal local agency in the region with elevated responsibilities given its decisions – directly and indirectly – materially affect and influence the other two local agencies. The City Council has met these elevated responsibilities during the five-year report period by practicing measured decision-making processes that actively draw on the input of 15 standing committees along with empowering a capable senior management team.

3. The City of Oceanside has taken a leadership role recently in the greater San Diego metropolitan region to restore and retain sand along City beaches. Recent measures taken up during the five-year report period include establishing and filling a Coastal Zone Administrator position to oversee Oceanside's "Re-Beach" program to design and implement a phased project estimated to total up to $50.0 million and in doing so mitigate the significant threat of sand losses to Oceanside's beach-centric economic and social welfare.

   (a) As the City of Oceanside proceeds to implement the initial phases of its otherwise novel Re-Beach program, it would be pragmatic to explore opportunities to enlist local coastal agencies in consolidating efforts - functional or political - given inescapable impacts and interests in beach restorations. LAFCO should offer its assistance should Oceanside and/or other stakeholders wish to explore a political model to organize sand nourishment on a larger scale.

4. Additional efforts should be taken by Oceanside SCHD to distinguish its role as a stand-alone governmental entity separate from the City of Oceanside. This includes developing stand-alone contracting arrangements with Oceanside outlining specific services and costs therein with respect to the existing use of City staff, supplies, and resources in carrying out District duties. Establishing a dedicated website is also merited to provide the public with direct and easy access to SCHD information that is otherwise obscured on the Oceanside site.

5. Oceanside SCHD informally deactivated its previously authorized and active patrol and rescue municipal function starting in 2009 by de-budgeting its Harbor Patrol in line with the City of Oceanside assuming these responsibilities. SCHD's legal authorization to provide patrol and rescue – however – remains active under State law. Accordingly, to clarify service expectations and mitigate potential liabilities, it would be prudent for SCHD to request LAFCO approval to divest this municipal function under Government Code 56824.10.

6. Oceanside SCHD's role as a dependent special district of the City of Oceanside benefits both agencies and their joint economic and social interest in Oceanside Harbor. This relationship, most notably, harmonizes the planning and use of the Oceanside Harbor while helping to economize costs for the mutual benefit of the agencies' shared constituency.

7. LAFCO is aware there is community interest in exploring the reorganization of Oceanside SCHD into an independent agency to provide direct community influence on decision-making. Accordingly, and based on available resources, it would be appropriate for the Commission to consider authorizing a future governance study to assess available alternatives – functional and political – for the benefit of both agencies and their shared constituents.

8. The accumulated depreciation ratio for Oceanside SCHD at the end of the five-year report period is concerning in showing capital assets (docks, pilings, etc.) have exceeded their useful life by more than three-fold. This poor ratio is the result of decades of deferred maintenance and has left the CSD increasingly vulnerable to significant infrastructure failures.

9. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for both the City of Oceanside and Oceanside SCHD to affirm the existing designations with the addition of a common special study area. The special study area – which is currently within Vista's sphere – spans nearly 150 acres and covers DUC lands located immediately southwest of the agencies near Sunset Drive and Melrose Way. Establishing the special study area provides LAFCO the opportunity to discuss the potential annexation of the DUC lands with both Vista and Oceanside and in doing so help facilitate the delivery of elevated municipal services to the community consistent with State law.

10. There appears to be some interest in Morro Hills CSD to expand its powers to include police protection for the benefit of directly enforcing traffic laws within the jurisdictional boundary. Discussions are merited and LAFCO should help coordinate with County Sherriff with respect to assessing options. For purposes of managing community expectations, LAFCO's consideration of this type of proposal would be largely premised on CSD expanding its financial resources to support this additional function and presumably through a voter-approved tax. ~~It would also merit consultation with the County Sheriff to help avoid unintended consequences.~~

11. Morro Hills CSD's Board of Directors is entirely appointed due to a series of uncontested elections. This propensity for uncontested elections and the presumed disinterest of local registered voters to serve leaves CSD increasingly vulnerable in making mid-term appointments when members resign – which has been a common occurrence during the five-year report period.

    (a) It appears merited for LAFCO to partner with the Morro Hills CSD in sponsoring or otherwise supporting a legislative change to the principal act to reduce the number of Board members from five to three consistent with existing special provisions in State law.[6]

12. Morro Hills CSD's decision to not act on a 2008 recommendation by an outside traffic consultant to raise the speed limit on Sleeping Indian Road from 35 to 45mph appears arbitrary and inconsistent with the Board's duty to its constituents to set speeds accepted as reasonable to a majority of road users. A review of a more recent traffic assessment performed in 2021 justifies the speed limit on Sleeping Indian Road to be set now to 55mph.

    (a) The Morro Hills CSD Board should revisit the preceeding topic and ensure an objective and data-supported speed limit is set to Sleeping Indian Road.

13. Morro Hills CSD's jurisdictional boundary to some extent appears disorderly along its northern and eastern perimeter with these adjacent non-jurisdictional lands that otherwise make use of the CSD roadway system.

    (a) It would be advantageous for the CSD to explore interest among these adjacent landowners to annex and have direct participation in the Board's decision-making while concurrently expanding the CSD property tax base.

14. It appears appropriate for LAFCO to proceed with a limited sphere of influence update for Morro Hills CSD to affirm the existing designation with the addition of a special study area. The special study area represents the notional expansion of the CSD to capture adjacent lands that presumably use and benefit from the roadway system.

[6] Reference to California Government Code Section 61040.1.

5.7 Environmental Justice (Adopted Policy)

Pending.

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CHAPTER THREE | AGENCY PROFILES

A. CITY OF OCEANSIDE

1.0 OVERVIEW

Oceanside Pier
Intersection of South Mission and Ammunition Roads

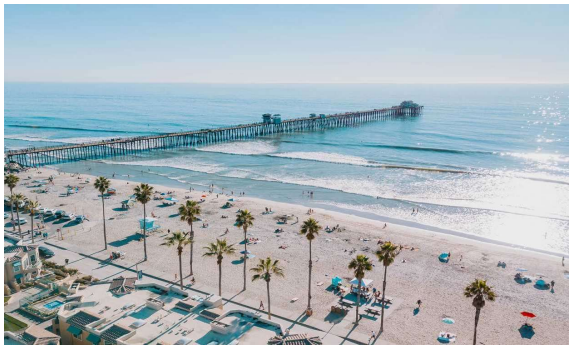


Photo Credit: visitoceanside.org

The City of Oceanside is a charter-law municipality incorporated in July 1888. Oceanside's incorporation was the third in San Diego County's history. It was also a direct extension of the growth and commerce established in the late 1790s with the construction of the Mission San Luis Rey and amplified with the arrival of the railroads by the early 1880s. Camp Pendleton's nearby establishment as a permanent U.S. Marine Corps base in the early 1940s further influenced growth in Oceanside and continues to serve as a prominent social and economic anchor. Oceanside's jurisdictional boundary spans 42 square miles with an elevation range between (30) to 895 feet above sea level with the latter recorded along Indian Trail Way in the South Morro Hills neighborhood. Three-fourths of Oceanside's jurisdictional boundary is under private ownership. Slightly more than one-fourth of all private lands – tallying 3,701 parcels and 5,303 acres – remain undeveloped without any assessed structures or improvements.

Oceanside's governance is provided through a council-manager format with an at-large-elected mayor and four district-elected councilmembers. The average tenure on the City Council among current members is approximately seven years with the longest tenure belonging to Mayor Esther Sanchez at 22 years. In 2020, the City Council adopted term limits, which prescribe no person can serve more than three terms – whether as Councilmember or Mayor. Oceanside has established 15 standing committees to help inform decision-making. Three City Managers have served Oceanside during the five-year report period with the present incumbent – Jonathan Borrego – appointed at the end of the five-year report period in 2022. Budgeted staffing has modestly increased by 3.7% from 966 to 1,002 full-time equivalent positions. Nearly one-half – or 45.2% – of all Oceanside's budgeted positions are allocated to public safety and divided between 129.4 with fire and 3~~2~~34.0 with police.

Oceanside is a full-service municipality and provides most public services directly with limited overlap from outside special districts. Key service functions directly provided by Oceanside and detailed in this report involve water, wastewater, integrated fire protection and emergency medical, parks and recreation, and community development. Other pertinent services directly provided by Oceanside include police protection, streets, library, and storm drainage. Oceanside also operates the dependent Oceanside Small Craft Harbor District. A few independent special districts separately overlap Oceanside's jurisdictional boundary and provide specialized regional services and include the North County Transit District, Tri-City Healthcare District, and Mission Resource Conservation District.

Full Service Municipality...
Oceanside is one of only a few full-service municipalities in San Diego County and directly provides the following services detailed in this report: water; wastewater; fire protection + emergency medical; parks + recreation; and community development. Budgeted staffing has increased from 966 to 1,002 – a difference of 3.7% – with nearly one-half of the total tied to public safety.

Oceanside's actual General Fund expenses at the end of the five-year report period tallies $205.827 million. This ending total represents an overall increase of 26.8% during the reporting period and translates to an average day expenditure of $0.564 million to carry out most day-to-day City activities. The annual per capita General Fund expense has similarly changed during the period from $947 to $1,179, which reflects a change of 25.5%. Actual General Fund revenues at the end of the period tally $213.628 million and reflect an overall change of 38.0% with property, sales, and transient taxes generating close to $0.60 for every $1.00 collected by Oceanside. The total spendable General Fund balance at the end of the period totals $112.6 million and is equivalent to covering 7.5 months of recent actual expenses.

Measure X Effect ...
Oceanside voters approved Measure X and its ½ cent sales tax in 2018 with an effective date of April 2019. Since going into effect, Measure X has reversed prior actual General Fund deficits and has generated a positive actual annual per capita revenue-to-expense difference of $63 or 6%.

LAFCO independently estimates the full-time resident population within Oceanside's jurisdictional boundary is 174,615 at the end of the five-year report period. This estimate makes Oceanside the third-largest populated municipality in San Diego County. It is also projected the estimate of full-time residents in Oceanside represents an overall increase of 8,061 since the 2010 census – or 671.8

Positive Housing Gains...
Oceanside experienced an average gain of 522 new residents each year over the five-year report period. Oceanside also experienced an average annual gain of 325 new housing units. These amounts show a positive net relationship with Oceanside adding one home for every 1.6 new residents, which marks an improvement over the historical ratio of one unit for every 2.6 residents.

annually and 1.4 daily – with a resulting annual growth rate of 0.4%, which falls moderately – or (one-third) – below the corresponding countywide rate of 0.6%. The estimated population is directly supported by 68,147 housing units, which has increased since 2010 with 3,905 new units, or 325 per year.

33% of Income Goes to Housing …
LAFCO estimates the adjusted housing cost for Oceanside residents to include both rent or mortgage as well as basic utilities equals one-third of household income at the end of the period.

With respect to other housing factors, the median household income among Oceanside residents is $97,238 based on the current five-year period average, which finishes above the countywide average of $88,240. Oceanside residents are currently spending 27.7% of their household income on rent or mortgage payments. LAFCO estimates the adjusted housing cost with basic utilities equals 32.7%. The average home value in Oceanside has separately increased by 59.2% over the reporting period from $522,082 to $831,328.[1] This separately generates a home price-to-income ratio of 8.6.

2.0 BACKGROUND

2.1 Community Development

San Luis Rey de Francia Mission
San Luis Rey, Oceanside (1798)

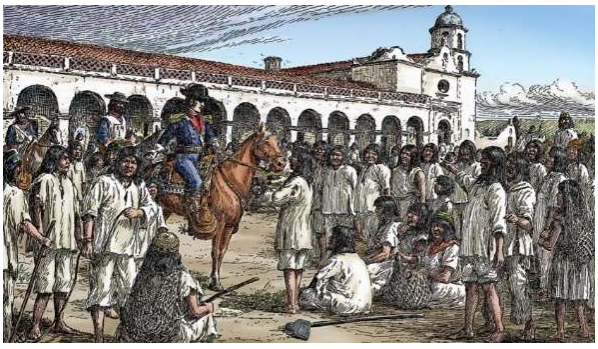


Photo Credit: California Missions

The City of Oceanside's present-day development dates to the 1700s with the Payomkawichum – or Luiseños – establishing permanent villages along the Santa Margarita and San Luis Rey Rivers in conjunction with Spain's construction of the Mission San Luis Rey de Francia in 1769. These villages generally continued uninterrupted into the next century when rule of California transitioned from Spain to Mexico and Governor Alvarado granted "Rancho Margarita y Las Flores" to Pio Pico and his brother, Andreas, in 1841. The rancho changed hands several times over the next several decades with allowances made to increasing numbers of migrants from the east to settle and begin making basic improvements to the land and establishing various crops and livestock activities. In 1883, the area established rail connectivity with San Diego and its harbor with

[1] The average home values in Oceanside during the five-year report period is based on Zillow analytics (www.zillow.com).

subsequent track extensions splitting and heading either east towards Escondido, northeast towards San Bernardino, and north towards Los Angeles.

Initial Oceanside Pier
Oceanside, California (1890)



Photo Credit: San Diego History Center

Once rail came to the area in the early 1880s, homesteaders – like Andrew Jackson Meyers – arrived and began building year-round homes and local-serving storefronts immediately south of Rancho Margarita y. Las Flores. Going to the "ocean side" became a regional moniker for rancho families living inland and quickly formalized into the newfound title of "Oceanside." John Chauncey Hayes emerged as a prominent figure in Oceanside's transition towards cityhood through his land holding company and began acquiring and reselling lots between $50 and $100 with loans provided by his own bank.[2] The framework for current-day downtown was established soon afterward with early businesses in Oceanside settling along Hill Street (Coast Highway) and the construction of an initial pier out to the Pacific Ocean completed by 1888.

2.2 Incorporation Proceedings

Interest in incorporating Oceanside paralleled Andrew Jackson Meyers' recording of the first survey map with the County of San Diego in 1883. At the time of the recording, it was estimated Oceanside's permanent population was approaching 300. The incorporation of National City in 1887 and the announcement by Escondido to do the same presumably provided momentum for community leaders to petition the Board of Supervisors and a vote on cityhood was held in May 1888. The vote to incorporate Oceanside passed 74 to 53 with the effective date set as July 3, 1888. A five-member board of trustees was also voted to serve as the inaugural City Council and consisted of C.W Maxson, John Schuyler, J.V. Hicks, F.S Trumbower, and Daniel Horne.

2.3 Notable Post-Incorporation Activities and Events

A summary of notable activities or events following Oceanside's incorporation involving the community or City government follows.

[2] The adjusted price of lots sold in 1885 for $50 to $100 translates to $1,500 to $3,000 in 2022.

Oceanside establishes an all-volunteer fire company in 1888. The first dedicated fire station is built in 1929 at the corner of Third and Nevada Streets.

1880s

In late 1888, Oceanside enters into a lease agreement with Myers Waterworks to provide water service through horse-drawn cart deliveries from the San Luis Rey River. Several municipal wells are also established starting in 1900 and continued to provide supplies to Oceanside.

The United States' census count in 1890 estimates 427 residents in Oceanside.

Oceanside High School (formerly Oceanside-Carlsbad) is established in early 1906 near the current campus on Mission Drive.

1900s

Oceanside transitions law enforcement from an elected Marshall's Office to a municipal police department starting in 1906.

The United States' census count in 1920 estimates 1,161 residents in Oceanside.

The Metropolitan Water District of Southern California is formed in 1928 to develop an aqueduct to convey supplies from the Colorado River. Oceanside later annexes into "MET" in 1944.

Several local hospitals begin operating in Oceanside starting with the Cottage Hospital on Second Street (Mission Ave) in 1930. The Oceanside Hospital on Freeman Street follows in 1933 and is later relocated in 1938 to Fourth (Civic Center Drive) and Summit.

1930s

Oceanside's first formal City Hall is designed by Irving J. Gill and built in 1934 on Pier View Way. City Hall is later reconstituted into a new Civic Center in 1989 to anchor the redevelopment of Oceanside's downtown.

The Oceanside-Carlsbad Junior College was established in September 1934 as part of the Oceanside High campus with an inaugural enrollment of 120 students. With the aid of a voter-approved bond, a new stand-alone campus was opened in September 1964 as Mira Mesa College with a corresponding enrolment amount of 1,800.

The first paid fire protection personnel are hired in 1939 and the company transitions to a municipal fire department.

1940s

The United States' census count in 1940 estimates 4,651 residents in Oceanside.

The United States purchases Rancho Santa Margarita y Las Flores for $4.2 million in 1942 and proceeds to convert the approximate 1250,000-acre site into Marine Corps Camp Pendleton.

Oceanside becomes a charter member agency of the San Diego County Water Authority in 1944 and is eligible to receive wholesale supplies via MET.

State Highway 101 is rerouted away from Hill Street (Coast Highway) in 1953.

Tri-City Healthcare District is formed in 1957.

1960s

The United States census in 1960 estimates 24,971 residents in Oceanside.

Oceanside Small Craft Harbor District is formed in 1960.

North County Transit District (NCTD) is formed in 1975 with operations commencing a year later. NCTD gradually assumes bus services for Oceanside along with other North County cities (Carlsbad, Vista, San Marcos, and Escondido). In 2008, the "Sprinter" is established and provides light-rail commuter services between Oceanside to Escondido.

1980s

The United States' census count in 1980 estimates 76,698 residents in Oceanside.

The United States' census count in 2000 estimates 161,029 residents in Oceanside.

2010s

Oceanside transitions to a charter-law municipality in July 2010 following voters' approval of Proposition K. The transition exempts Oceanside from prevailing wage requirements for public work projects unless otherwise applicable under state law.

Oceanside's City Council in June 2016 authorizes the initiation of an update to the General Plan (1986). Work continues.

Voters approve Measure X in November 2018 to increase Oceanside's sales tax by ½ cents to 8.25% for seven years beginning April 2019. Revenue is dedicated to public safety and roads and managed by an oversight committee.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

The City of Oceanside's existing boundary totals 42.2 square miles and spans 26,991 acres. This equals 1.0% of all of San Diego County. Slightly more than one-half of Oceanside is fixed and either adjacent to the Pacific Ocean or the Cities of Carlsbad and Vista. The remainder of the Oceanside perimeter lies adjacent to unincorporated lands with one-half of this amount adjoining the United States Marine Corps Camp Pendleton. This leaves one-quarter of Oceanside's perimeter open to future expansion assuming Camp Pendleton remains under federal control. The elevation ranges between (30) to 895 feet above sea level with the latter point recorded along Indian Trail Way in the South Morro Hills neighborhood.

On the Podium (Bronze)...
Oceanside's jurisdictional boundary is 42 square miles in total size and makes it the third largest-sized municipality in San Diego County. The jurisdictional boundary is whole and does not include any unincorporated "islands."

With regard to historical changes, it is estimated Oceanside's jurisdictional boundary has nearly quintupled in size since incorporation in 1888. A total of twelve annexations have been approved and recorded by LAFCO since its own creation by the Legislature in 1963 and collectively account for 11.3% of the presently City limits. The largest annexation approved by LAFCO occurred in 1966 and involved the addition of 978 acres involving the South Morro Hill area. The last approved annexation occurred in 1988 involving 876 acres as part of the "North Oceanside Reorganization."

The total assessed value (land and structure) within Oceanside has increased during the five-year report period by 31.6% from $20.909 to $27.516 billion. The period-ending amount translates to a per-acre value ratio of $1.019 million as well as a per capita value of $0.158 million based on the estimated full-time population of 174,615. Oceanside's share of the 1.0% property tax collected within the jurisdictional boundary is approximately 19.0% – or 0.19 cents for every $1.00 – and generated $49.0 million in 2021-2022.

Increasing Values...
Assessed property values in the City of Oceanside have increased by 32% during the five-report period. Oceanside's share of the 1% property tax (AB8) is 19% and generated $49.0 million in 2022.

Oceanside's jurisdictional boundary is currently divided into 62,771 parcels spanning 23,048 acres.[3] More than four-fifths – 84.6% – of the parcel acreage is under private ownership with close to three-fourths of this portion already developed or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remaining private acreage in Oceanside is undeveloped and consists of 3,741 vacant parcels that collectively total 5,303 acres.

Infill Opportunities…
73% of all privately owned acreage in Oceanside has been developed to date – though not necessarily at the highest density. The remaining 27% of the private acreage in Oceanside remains undeveloped and totals 5,303 acres.

Oceanside's jurisdictional boundary is shown on Map A-1. A summary of key boundary characteristics underlying the jurisdictional boundary follows in Table A-3.1.

City of Oceanside
Jurisdictional Boundary Characteristics
Table A – 3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	26,991 acres
Total Jurisdictional Parcels and Acreage	62,771 parcels totaling 23,048 acres
… Publicly Owned Parcels and Acreage	688 parcels totaling 7,487 acres
… Privately Owned Parcels and Acreage	62,083 parcels totaling 19,505 acres
… Undeveloped Privately-Owned Parcels and Acreage	3,741 parcels totaling 5,303 acres
Total Number of Registered Voters	102,066
Total Assessed Value (Land and Structures)	$27.5 billion

3.2 Sphere of Influence

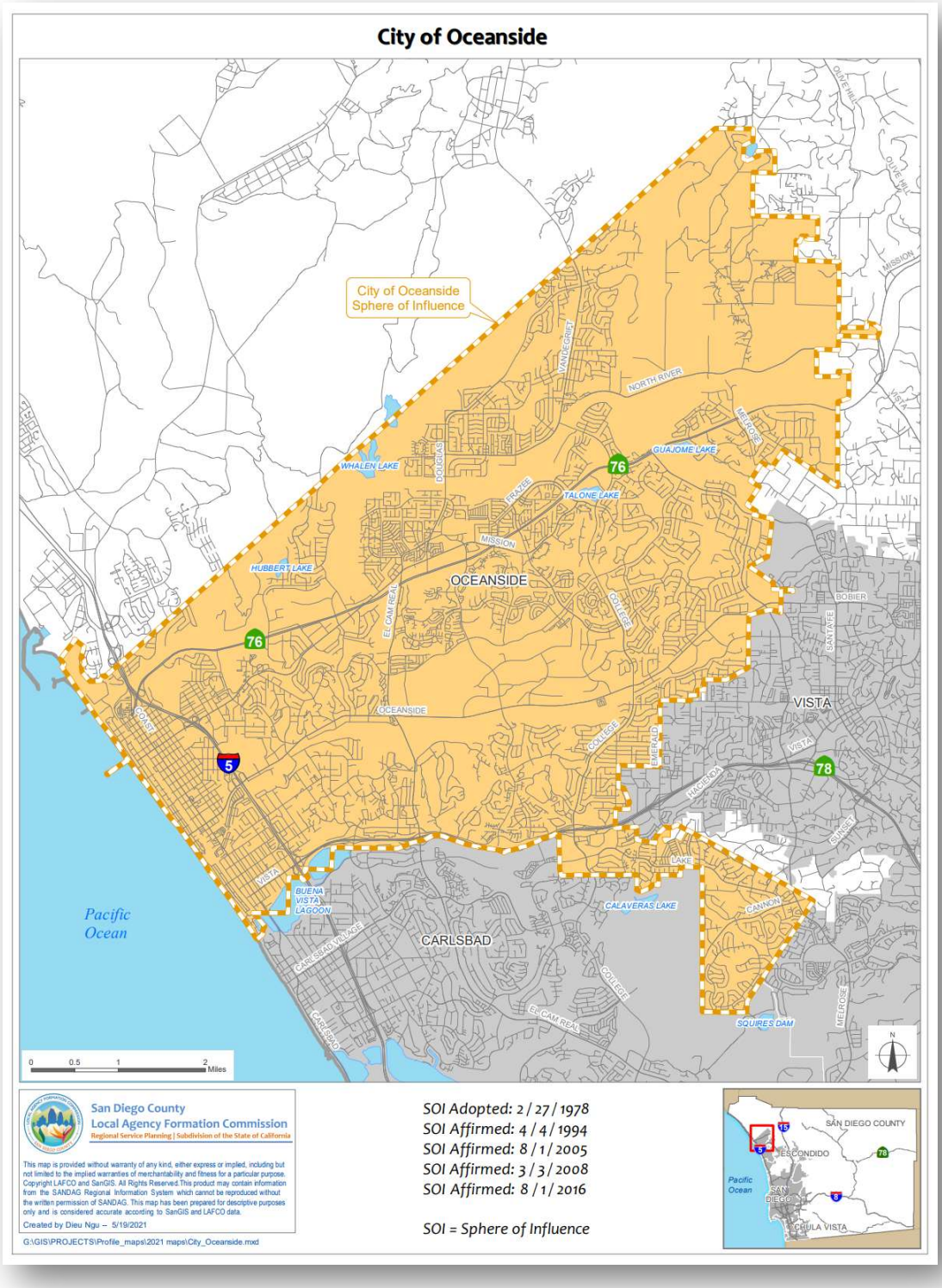
Oceanside's sphere of influence was established by San Diego LAFCO in February 1978 with a larger-than-agency designation to accommodate additional expansion to the east. Seven subsequent proposals were approved by LAFCO that have annexed nearly all of the unincorporated territory included in the initial sphere. The remaining unincorporated territory within the sphere involves one contiguous area that is 19.5 acres in size and located along the intersection of Sunset Drive and Busch Drive. LAFCO most recently reviewed and updated the sphere

Minimal Difference Between Sphere and Jurisdiction…
LAFCO established Oceanside's sphere of influence in February 1978. The sphere was last updated in August 2018 and is nearly coterminous with the jurisdictional boundary except for 19 unincorporated parcels totaling 19.5 acres.

[3] The remaining 3,943 jurisdictional acres within Oceanside consists of public rights-of-way and waterways.

with no changes in August 2016. There are also no assigned special study areas. The current sphere is shown below in Map No. A-1.

Map No. A-1



3.3 Relationship to General Plan

Oceanside's General Plan was last updated in 1986 and covers all lands within the current sphere of influence set by the Commission. Consistent with State statute, the General Plan serves as Oceanside's core policy document in meeting the City's long-term vision for the future. Twelve elements comprise the General Plan with several adopted in the 1970's and carry-forwarded into the General Plan update while others were adopted afterwards. All twelve elements and their adoption year plus any subsequent amendments are outlined below.

1986 Gameplan…
Oceanside's General Plan was last comprehensively updated in Oceanside 1986. The Land Use Element includes all lands within Oceanside's assigned sphere of influence except for the 19.5 unincorporated acres added by LAFCO.

- Land Use – Adopted in 1986 (five amendments)
- Recreational Trails – Adopted in 1996
- Housing – Adopted 2021
- Environmental Resource Management – Adopted in 1975
- Community Facilities – Adopted in 1990
- Public Safety – Adopted in 1975
- Noise – Adopted in 1974
- Hazardous Waste Management – Adopted in 1990
- Military Reservation – Adopted in 1981
- Circulation – Adopted in 2012
- Economic Development – Adopted 2019
- Energy Climate – Adopted May 2019

A comprehensive update to the Oceanside General Plan was initiated in 2020 with community outreach involving virtual sessions due to COVID-19. Oceanside's current timeline contemplates the project being completed ~~in Spring~~ by the end of 2024.

3.4 College and School District Boundaries

Oceanside's jurisdictional boundary and sphere of influence lies within five college and school districts: Mira Mesa College; Oceanside Unified; Bonsall Unified; Carlsbad Unified; and Vista Unified. A summary of key characteristics for each of these districts follows in Table A – 3.4a and – among other features – shows all districts experiencing declines in student enrollment over the reporting period.[4]

[4] Budget data for Bonsall Unified School District is only available for Fiscal Years 2019-2022.

City of Oceanside
Public School District Information
Table A – 3.4a | Source: Oceanside, Bonsall, Carlsbad, and Vista School Districts

	Mira Costa	Oceanside Unified	Bonsall Unified	Carlsbad Unified	Vista Unified
District Type	College	School	School	School	School
% within Oceanside	15.3%	100%	8.6%	2.4%	24.0%
Superintendent	Sunita Cookie	Julie Vitale	Joe Clevenger	Ben Churchill	Matthew Doyle
Grades	13th – 14th	K-12th Grade	K-12th Grade	K-12th Grade	K-12th Grade
Campuses	4	23	5	14	29
Enrollment in FY18	17,377	20,459	2,930	11,326	24,708
Enrollment in FY22	13,648	18,671	2,209	11,027	22,092
… Change	(21.5%)	(8.7%)	(24.6%)	(2.6%)	(10.6%)
Budget FY18	$277,524,554	$257,732,728	$26,138,641	$109,459,742	$247,554,059
Budget FY22	$298,703,242	$245,542,519	$28,168,786	$139,918,561	$298,824,608
… Change	7.6%	(4.7%)	7.8%	27.8%	20.7%

4.0 DEMOGRAPHICS

4.1 Population and Housing

Adding 1.4 Persons Daily…
It is estimated there are 174,615 fulltime residents in Oceanside at the end of the reporting period with the average day addition of 1.4 new residents over the preceding 60 months. It is projected the fulltime population will increase consistent with recent trends and reach 178,165 by 2027.

The City of Oceanside's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 174,615 at the end of the five-year report period. This amount represents 4.4% of the countywide population total. It is also estimated the full-time population in Oceanside has risen overall by approximately 4.8% from 166,554 in 2010 and the associated census reset. This translates to an annual increase of 522 or 0.4%, which is one-fifth lower than the corresponding countywide growth rate of 0.6% over the same period. The current estimate produces a population density of 6.5 residents for every acre and underlies the overall dense suburban character of the jurisdictional boundary. It is projected the current growth rate will continue into the near term and result in the full-time population reaching 178,165 by 2027. Table A - 4.1a summarizes past, present, and future estimates.

City of Oceanside
Resident Population
Table A - 4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	2027 Estimate	Annual Change
City of Oceanside	166,554	172,004	174,615	178,165	0.4%
San Diego County	3,095,305	3,244,893	3,315,082	3,414,325	0.6%

LAFCO separately estimates there are 68,147 residential housing units within Oceanside at the end of the five-year report period. This amount represents an overall increase of 3,905 – or 6.1% – since 2010 for an annual change of 325. This produces a ratio of adding one new housing unit for every 1.61 new residents. This most recent ratio– notably – marks a significant improvement relative to the preceding five-year ratio of one housing unit for every 2.98 residents. Other notable housing characteristics during the reporting period follow and are shown in Table A-4.1b.

Improving Housing Stock…
Oceanside has averaged 325 new housing units each year during the review period. In comparison to population growth, this results in Oceanside adding one new home for every 1.6 new residents, which marks an 85% improvement over the five-year ratio average of one unit for every 3.0 residents.

- More than one-half – or 55.4% – of housing units in Oceanside are owner-occupied. The remainder of the housing units are divided between 38.1% being renter-occupied and 6.5% being vacant.

- The five-year average household size in Oceanside has been 2.98. The ending average household size is 2.56.

- The five-year average mean housing cost (mortgage or rent) in Oceanside is $2,248. This represents a 24.5% increase over the prior five-year average.

- Oceanside households are spending 27.7% of their income on rent or mortgage payments. Adjusting for ancillary expenses – e.g., utilities and the like – it is projected households' real housing costs equal ~~32.7~~36.3% (renters) and 44.8% (homeowners) of their monthly income.[5]

[5] Monthly ancillary housing expenses for homeowners are calculated by LAFCO based on applying 2% against the median home prices within the jurisdictional boundary. The calculation decreases to 1% for renters.

City of Oceanside
Housing Characteristics
Table A-4.1b | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
2010 Housing Units	64,242	1,164,781
2022 Housing Units	68,147	1,238,794
… % Change	6.1%	6.4%
Household Size (5-year avg 2012-16)	2.95	2.87
Household Size (5-year avg 2017-21)	2.98	2.81
… % Change	1.0%	(2.1%)
Monthly Housing Cost (5-year avg 2012-16)	$1,805.10	$1,578.00
Monthly Housing Cost (5-year avg 2017-21)	$2,247.92	$1,971.00
… % Change	24.5%	24.9%
2010 Vacancy Rate	8.0%	6.7%
2022 Vacancy Rate	6.5%	5.9%
… % Change	(19.3%)	(11.9%)

4.2 Age Distribution

The median age of residents in Oceanside is 38.6 based on the current five-year period average. This amount reflects an increase of 1.8% from 37.9 over the preceding five-year period. The current median age in Oceanside also remains slightly higher than the countywide average of 36.3. Residents in the prime working age group defined as ages 25 to 64 – and the prime tax-generating income group – make up more than one-half of the total Oceanside population at 53.0%.

Slightly Older…
Residents in Oceanside tend to be slightly older with a median age of 38.6 relative to the countywide average of 36.3. The median age in Oceanside has also increased over the period by 2%.

City of Oceanside
Age Distribution
Table A-4.2 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Median Age (5-year average 2012-2016)	37.9	35.3
Median Age (5-year average 2017-2021)	38.6	36.3
… % Change	1.8%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	53.1%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	53.0%	54.1%
… % Change	(0.2%)	0.7%

4.3 Income Characteristics

The median household income in Oceanside is $97,238 based on the current five-year period average. This amount shows households are receiving significantly more pay over the report period with the median income experiencing an overall increase of approximately 42.4% from the preceding period average of $68,307; a difference that is more than double the corresponding change in inflation measured for the San Diego region over the same period.[6] Similarly, the current median household income in Oceanside is above the current countywide median of $88,240 at 10.2%. Other material measurements show the poverty rate decreased by two-fifths from 13.5% to 9.3% and ending closer to the countywide sum of 11%.

Sizeable Boost in Income…
Oceanside residents' average median household income – while increasing during the report period – finished at $97,238 and above the countywide average of $88,240.

City of Oceanside
Income Characteristics
Table A-4.3 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Median Household Income (5-year average 2012-2016)	$68,307	$66,529
Median Household Income (5-year average 2017-2021)	$97,238	$88,240
… % Change	42.4%	32.6%
Resident Poverty Rate (5-year average 2012-2016)	13.5%	14.0%
Resident Poverty Rate (5-year average 2017-2021)	9.3%	10.7%
… % Change	(31.3%)	(23.6%)

4.4 Other Socioeconomic Indicators

Unemployment levels within Oceanside remain comparatively low at 5.6% based on the current five-year period average. This amount is one-sixth – or (15.2%) – below the countywide rate of 6.6%. Unemployment levels – nonetheless – have increased by one-third – 33.4% – from the previous five-year average of 4.2%. Slightly more than one out of every five residents in Oceanside currently collect retirement income and reflects an overall rise of 17.4% over the prior five-year average. Education levels as measured by four-year college graduates have modestly increased during the

Blue Collar Workforce…
Approximately one-third of adults in Oceanside hold four-year college degrees at the end of the report period. This ratio paired with the relatively high median home income suggests a predominantly blue-collar workforce.

[6] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

report period but remain somewhat low at 37.4% given the relatively high median income levels. The non-English speaking percentage of the population has sizably decreased during this period from 11.6% to 11.1%; an overall difference of (4.3%).

City of Oceanside
Other Socioeconomic Indicators
Table A-4.4 | Source: Esri and San Diego LAFCO

Factor	City of Oceanside	San Diego County
Unemployment Rate (5-year average 2012-2016)	4.2%	7.8%
Unemployment Rate (5-year average 2017-2021)	5.6%	6.6%
… % Change	33.4%	(15.4%)
Collecting Retirement (5-year average 2012-2016)	21.8%	17.7%
Collecting Retirement (5-year average 2017-2021)	25.2%	21.2%
… % Change	17.4%	19.8%
Non-English First Language (5-year average 2012-2016)	11.6%	15.0%
Non-English First Language (5-year average 2017-2021)	11.1%	13.1%
… % Change	(4.3%)	(12.6%)
Adults with Four-Year Degrees (5-year average 2012-2016)	31.5%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	37.4%	40.3%
… % Change	18.6%	10.4%

4.5 Unhoused Needs and Capacities

Increasing Homeless Population…
At the end of the reporting period, there was one counted homeless person in Oceanside for every 340 housed residents – up from 355 housed residents 60 months prior.

The City of Oceanside participates in annual point-in-time counts for unhoused or homeless administered by the region's Continuum of Care "CoC" provider – or San Diego Regional Task Force on the Homeless. The count is performed by volunteers during the last week of January in all 18 cities as well as several unincorporated communities in San Diego County. Counts performed during the five-year review period show the average number of homeless in Oceanside has been 471. The total number of homeless at the end of the period totals 514 and reflects the overall rising trend. The most recent count also shows 61.9% – or 318 – of the total being unsheltered and residing in cars, public places, or the street. The remaining 196 homeless counted at the end of the period are sheltered and reside in an emergency shelter, homeless shelter, or transitional housing provided by various governmental and non-profit agencies.[7] (See Table A - 4.5a.)

[7] Due to the COVID-19 pandemic the County of San Diego's regional Continuum of Care "CoC" provider applied for and was granted an exception from conducting the 2021 annual Point-in-Time Count for the regions unsheltered homeless by the Department of Housing and Urban Development (HUD).

City of Oceanside
Point-in-Time Homeless Counts
Table A – 4.5a | Source: Regional Taskforce on Homeless in San Diego County + SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Sheltered	157	202	154	145	196	171.8	24.8%
Unsheltered	326	290	242	n/a	318	294.0	(2.5%)
Total	**483**	**492**	**396**	**n/a**	**514**	**471.3**	**6.4%**

More Need than Capacity…
At the end of the report period, there is a shortage of (136) beds to accommodate all counted homeless in Oceanside.

Oceanside presently partners with nearly two dozen local non-profit organizations that provide one or more homeless support services within City limits. Key services include providing emergency shelter and ancillary drug, mental health, and/or family crisis counseling.[8] The number of beds (emergency, transitional, safe-haven shelters, etc.) in Oceanside at the end of the reporting period totals 378.

4.6 Environmental Justice

Pollution Burdens + At-Risk Factors…
LAFCO's consideration of environmental justice factors draws from the California EPA and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

Consideration of environmental justice draws on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two composite percentile rankings for territory within the City of Oceanside and overlapping adjacent areas – including inhabited portions within the Cities of Carlsbad and Vista – are generated based on a weighted calculation involving all underlying census tracts. This involves pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below and detailed in Table A – 4.6a.

- Oceanside's composite **pollution burdens** ranking falls in the 34th percentile relative to the rest of California. Four pollution burden measurements exceed the 50th percentile and are considered relatively high. These four measurements comprise (a) two exposures involving traffic impacts and drinking water contaminants as well as (b) two environmental effects involving hazardous waste

[8] State law requires all municipalities allow for the operation of emergency shelters.

and impaired water bodies. One of these four measurements – impaired water bodies – exceeds the 66th percentile and is considered significant and associated with the Loma Alta Creek, which is under a clean-up order from the State via the Clean Water Act with additional details footnoted.[9]

- Oceanside's composite **at-risk population** ranking falls in the 28th percentile relative to the rest of California. One at-risk population measurement exceeds the 50th percentile and is considered relatively high. This measurement involves housing burdens. This means a proportionally high number of households are both low income (making less than 80% of the HUD median family income) and severely burdened by housing costs (paying 50% plus of income to housing).

City of Oceanside + Immediately Adjacent Lands
Pollution Burdens and Susceptible Population
Table A – 4.6a | Source: California Environmental Protection Agency and SD LAFCO

Factor	City of Oceanside + Surrounding Lands
No. of Census Tracts	43
Pollution Burden	**Weighted Percentile**
… Comparative Percentile	34.69
Exposures | Air Quality - Ozone	37.68
Exposures | Air Quality - Fine Particulate Matter:	36.16
Exposures | Air Quality - Diesel Particulate Matter:	41.20
Exposures | Pesticide Uses:	41.37
Exposures | Toxic Releases:	15.45
Exposures | Traffic Impacts:	**52.26**
Exposures | Drinking Water Contaminants:	**52.70**
Exposures | Lead Risk in Housing:	30.44
Effects | Cleanup Sites:	37.36
Effects | Groundwater Threats:	45.37
Effects | Hazardous Waste:	**57.11**
Effects | Impaired Water Bodies:	**68.63**
Effects | Solid Waste Sites and Facilities:	40.16
Sensitive Population	**Weighted Percentile**
… Comparative Percentile	28.30
Sensitive Population | Asthma:	16.72
Sensitive Population | Low Birth Weight:	34.60
Sensitive Population | Cardiovascular Disease:	25.74
Socioeconomic Factor | Education:	38.90
Socioeconomic Factor | Linguistic Isolation:	13.90
Socioeconomic Factor | Poverty:	49.44
Socioeconomic Factor | Unemployment:	14.70
Socioeconomic Factor | Housing Burden:	**53.89**

[9] The referenced clean-up order is by the State Regional Water Quality Control Board. The order is part of a regional order assigned to the "Carlsbad Watershed Management Area." The Loma Alta Creek is one of six hydrologic areas in the affected watershed. The Loma Alta Creek drains through a slough into the Pacific Ocean. According to the clean-up order, portions of the Loma Alta Creek have been subject to human modifications; namely, the construction of concrete-lined channels. These alterations, among others, have contributed to the degradation and fragmentation of riparian habitat corridors and a reduction in the value of critical ecosystem services previously offered by the natural channel and wetlands.

1) Several census tracts within Oceanside extend outwards and capture adjacent areas within the Cities of Carlsbad and Vista as well as unincorporated Bonsall.

5.0 ORGANIZATION

5.1 Governance

The City of Oceanside operates as a charter-law municipality and draws on its own locally adopted charter or "home rule." Oceanside established its charter status under Proposition K in 2010, which was placed on the ballot by the City Council with 53.8% percent of voters casting ballots in favor of the transition. The main feature of the Oceanside Charter involves exempting City contracts from requiring either labor agreements or prevailing wages unless legally required.

Governance is provided through a council-manager system with the Council establishing policies and the City Manager empowered with administrative discretion to carry out the policies. Decision-making authority under this system is equally distributed among Oceanside's five-member City Council with the four councilmembers now elected by electoral district.[10] Regular meetings are typically held on the first and third Wednesday of each month. Council meetings are shown live on a local public broadcast channel (Channel 19) and available for subsequent viewing by visiting the Oceanside YouTube channel. Table A – 5.1a details current City Council members and their respective backgrounds.

Bimonthly Meetings…
The City of Oceanside's Council regularly meets on two Wednesdays of each month at 5:00 p.m. in the Council Chambers located at 300 N. Coast Highway in Oceanside.

City of Oceanside
Current City Council Roster
Table A-5.1a| Source: City of Oceanside

Member	Position	Years on Council	Background
Esther Sanchez	Mayor	22.5	Attorney (retired)
Ryan Keim	Deputy Mayor	3.5	Law Enforcement
Eric Joyce	Council member	1	Educator
Rick Robinson	Council member	1	Fire Protection (retired)
Peter Weiss	Council member	4.5	City Manager (retired)
		Average Experience on the Council: 6.5 Years	

Other elected Oceanside officials are the City Clerk and City Treasurer.

[10] In 2018, the City of Oceanside transitioned to a district-based voting system to elect its City Council members, replacing the previous at-large election system.

Oceanside utilizes 15 standing committees to help inform decision-making on topics of elevated interest to the City Council. The Planning Commission is the most active of the standing committees having held 149 meetings during the reporting period. The next two most active standing committees involve Library and Housing with each group holding more than 50 meetings during the reporting period. Another five committees – Utilities, Arts, Harbor and Beaches, Manufactured Homes, and Public Safety – have held at least 30 times. The remaining committees have held less than 30 meetings over the period. Summarizes of all 15 committees follow.

Most Active Committees…
Oceanside's Planning Commission has been the most active standing committee by holding an average of 29 meetings annually during the five-year report period. The next two most active committees – Library and Housing – both met an average of 10 to 11 times each year.

- The Arts Commission makes advisory recommendations to the City Council on the development and promotion of performing and fine arts as well as ancillary cultural enhancement opportunities. It includes nine regular voting members and two alternate members. This Committee has held 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Citizen Investment Oversight Committee makes advisory recommendations to the City Treasurer on investments and related policies. It includes seven members with six appointed by the Council and the seventh being the Treasurer. This Committee has held a total of 18 meetings during the review period for an annual average of 3.6 meetings a year.

- The Downtown Advisory Committee makes advisory recommendations to the Community Development Commission to facilitate best development practices specific to the downtown area and related topics. The composition includes nine members. This Committee has held a total of 25 meetings during the review period for an annual average of 5.0 meetings a year.

- The Economic Development Commission makes advisory recommendations to the City Council on economic growth opportunities with a focus on jobs. The composition includes 11 members. This Committee has held a total of 11 meetings during the review period for an annual average of 2.2 meetings a year.

- The Harbor and Beaches Advisory Committee makes advisory recommendations to the City Council and Harbor Board of Directors on commercial and public uses within and along the harbor. The composition includes nine regular voting members. This Committee has held a total of 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Historic Preservation Advisory Commission makes advisory recommendations to the City Council on identifying, protecting, and enhancing historical areas and sites. The composition includes seven regular voting members. This Committee has held a total of 23 meetings during the review period for an annual average of 4.6 meetings a year.

- The Housing Commission makes advisory recommendations to the City Council on policies in support of low-income housing and related resources for the homeless. The composition includes nine regular voting members. The Commission has held a total of 51 meetings during the review period for an annual average of 10.2 meetings a year.

- The Library Board of Trustees is delegated policy-making powers to set rules and regulations involving library services. The composition includes five members. The Trustees have held a total of 57 meetings during the review period for an annual average of 11.4 meetings a year.

- The Manufactured Home Fair Practices Commission approves potential rent increases for mobile home park spaces. The composition includes five regular voting members and two alternates. The Commission has held a total of 35 meetings during the review period for an annual average of 7.0 meetings a year.

- The Measure X Citizens Oversight Committee reviews expenses transacted with monies collected as part of Oceanside's voter-approved half-cent sales tax program. The composition includes seven regular members plus the City Manager serving as a non-voting member. The Committee has held a total of 11 meetings during the review period for an annual average of 2.2 meetings a year.

- The Parks and Recreation Commission makes advisory recommendations to the City Council involving the acquisition, development, operation, and maintenance of recreation and leisure resources. The composition involves nine regular voting members and two alternate members. The Commission has held

a total of 31 meetings during the review period for an annual average of 6.2 meetings a year.

- The Planning Commission is delegated powers to approve and/or disapprove discretionary development projects ranging from conditional use permits to zoning changes and related environmental compliance. Commission actions are appealable to the City Council. The composition involves seven regular voting members. The Commission has held a total of 149 meetings during the review period for an annual average of 29.0 meetings a year.

- The ~~Public Safety~~Police and Fire Commission makes advisory recommendations to the City Council on police and fire services and related resources. The composition involves nine regular voting members. The Commission has held a total of 31 meetings during the review period for an annual average of 6.2 meetings a year.

- The Rehabilitation Loan Review Committee makes advisory recommendations to the Community Development Commission on housing rehabilitation loan applications. The composition involves three regular voting members. The Committee has held a total of 6 meetings during the review period.

- The Utilities Commission makes advisory recommendations to the City Council on water, wastewater, solid waste, recycling, and ~~drainage service~~ service watershed protection activities. The composition involves seven regular voting members and two alternate members. The Commission has held a total of 36 meetings during the review period.

5.2 Administration

The City of Oceanside appoints an at-will City Manager to oversee all municipal activities and make individual department hires. The current City Manager – Jonathan Borrego – was appointed in March 2022 and previously served as the Development Services Director. Two other City Managers have served Oceanside during the five-year review period (Michelle Lawrence and Deanna Lorson). A full-time City Attorney is

Oceanside's City Hall
300 N Coast Hwy, Oceanside, CA 92054



Photo Credit: Google Map

also appointed by the City Council, with the incumbent – John P. Mullen – having served through the reporting period.

Oceanside's organizational chart divides the City government into 10 departments (human resources, public works, parks and recreation, police, fire, development services, housing and neighborhood, library, financial services, and water utitlies). All non-elected department heads report directly to the City Manager. The total number of budgeted positions at the end of the report period is 1,002 full-time equivalent employees with an overall change of 3.7% during the corresponding 60-month period.

City of Oceanside
Budgeted Staffing Levels
Table A -5.2a | Source: City of Oceanside

Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Trend
Budget Staffing	966.0	967.0	984.0	985.0	1,002.0	980.8	3.7%
Per 1,000 Residents	0.96	0.97	0.98	0.95	1.0	0.97	4.2%

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year.

6.0 MUNICIPAL SERVICE FUNCTIONS

Targeted Service Functions...
This regional MSR focuses on five specific service functions underlying Oceanside's growth: (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development.

The City of Oceanside directly provides a full range of municipal services within its jurisdictional boundary with limited dependency on outside special districts. This report and succeeding analysis focus on five specific service functions underlying Oceanside's growth and development that are of particular interest to LAFCO. These five targeted service functions involve (a) potable water; (b) wastewater; (c) integrated fire protection, emergency medical, and ambulance; (d) parks and recreation; and (e) community development. Other municipal services provided by Oceanside – and specifically recycled water, solid waste, roads, library, and storm control – are cursorily addressed as an appendix with the expectation of expanding the analysis in future reports. A notable omission involves police protection, which is expected to be evaluated separately by LAFCO as part of a future countywide study.

A summary analysis of the five targeted service functions with respect to resources and capacities, actual demands, and performance measurements follows.

6.1 Potable Water Service

Potable Water Accounts for 7% of Oceanside's Total Staffing…
Oceanside's potable water service involves retail class only and extends throughout most of the jurisdictional boundary with limited exceptions in area of North River and Wilshire Roads. Budgeted staffing at the end of the reporting period equals 95.0 fulltime equivalent positions.

Oceanside's potable water service function represents the City's largest business (enterprise) activity and involves retail class only. Oceanside established its potable water function following incorporation in 1888 by first entering into a lease agreement with Myers Waterworks, which utilized a horse-drawn cart to deliver supplies from the San Luis Rey River. Oceanside assumed the function directly by the early 1900s by building its own distribution system paired with establishing the first in a series of municipal wells within the Mission Basin portion of the San Luis Rey River Watershed. Oceanside later established access to imported supplies in 1944 by annexing into the San Diego County Water Authority as one of the nine original members.[11] The potable water function is operated as a dedicated division within Oceanside's Water Utilities Department. Budgeted staffing totals 95 full-time equivalent employees at the end of the report period. This amount reflects an overall addition of 15 full-time positions over the preceding 60 months. Overall, budgeted staffing dedicated to water service equals 6.9% of the Oceanside total in 2022.

Prominent characteristics underlying Oceanside's potable water system follow.

- The potable water system at the end of the five-year reporting period spans 662 miles of distribution mains and lines and covers 28 connected pressure zones.

- The distribution system has expanded by 71 miles – or 12.0% – during the reporting period.

- Topography in the distribution system ranges from 10 to 720 feet above sea level and is managed through nine public pump stations and twelve public storage reservoirs.

- The water service area generally aligns with the incorporated boundary with the notable exception of excluding portions of the South Morro Hills neighborhood. Oceanside reports it does not have any active out-of-agency service customers.

[11] Annexation secured Oceanside's access to wholesale supplies imported from the Colorado River and later the Sacramento Bay Delta. As further detailed, imported wholesale water (treated and untreated) currently represents close to 90% of Oceanside's potable supplies. The remainder comes from local groundwater.

- The total number of active connections at the end of the reporting period is 44,458 and represents an overall increase of 0.9% during the preceding 60 months. The total number of equivalent metered units – which converts each meter to an equivalent dedicated use, household, etc. – is 58,289.

An expanded description of the potable water service function's capacities, demands, and performances follows.

Resources + Current Capacities

Oceanside's potable water function and its retail class activities operate as an enterprise and intended to be self-sufficient without relying on the City General Fund. Actual operating revenues generated during the five-year report period have averaged $74.111 million annually with more than nine-tenths – or 94.2% – drawn from monthly service charges in the form of usage and availability fees.[12] (The estimated average single-family household monthly water bill is presently $100.24.[13]) Actual annual operating expenses during the reporting period have averaged $63.038 million with one-half – or 51.1% – tied to purchasing wholesale water supplies from the County Water Authority. Oceanside's potable water function has generated an overall annual operating margin of 14.9% over the five years covering this reporting period.

Net Revenue Generation of $190 Per Home...
Oceanside's potable water function operates as an enterprise and has generated an average annual operating margin of 15% during the five-year report period. The total per household net revenue generation at the end of the report period is $190.

A breakdown of key funding considerations underlying the potable water function is shown below in Table A – 6.1a.

[12] Usage is billed based on unit totals in 748-gallon intervals and tiered for residential accounts to apply a higher rate once customers exceed a baseline threshold during the month. (The monthly baseline threshold triggering higher usage rates for multi-family units is 5,236 gallons or 175 gallons daily and 9,924 gallons or 330 daily gallons for single-family units.) Fixed availability fees covers' infrastructure access to Oceanside's distribution system along with related pass-throughs from the Authority and Metropolitan Water District.

[13] Average monthly household demand within Oceanside is estimated at 348 gallons. This amount is based on an estimated per capita demand of 118 gallons generated during the abbreviated review period and multiplied by 2.95.

City of Oceanside
Potable Water Service Function
Five Year Report Period: FY18 to FY22
Table A – 6.1a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Operating Revenues	
… Average Annual	$74.111 million
… Overall Trend	9.7%
Actual Operating Expenses	
… Average Annual	$63.038 million
… Overall Trend	6.7%
Average Annual Operating Net	$11.074 million
… Average Operating Margin	14.94%
Per Equivalent Metered Unit (EMU) Revenue in FY22	$189.98

In concert with funding resources, Oceanside's portable water function and its capacities are dependent on physical infrastructure – namely supply, treatment, and distribution as well as the ancillary storage facilities – and are summarized as follows.

- Approximately 90% of Oceanside's potable water supplies retailed during the reporting period have been imported through the City's membership agreement with the County Water Authority and access therein to the Colorado River (via the Colorado Aqueduct) and Sacramento Bay Delta (via the State Water Project).[14] Oceanside has direct access to wholesale supplies from the County Water through five active transmission connections. Three of these connections provide treated water directly to Oceanside's distribution system with a combined daily receiving capacity of 82.9 million gallons or 254.4 acre-feet. The other two connections provide untreated water directly to Oceanside's Robert Weese Water Filtration Plant (~~Reese~~ Weese WFP) with a combined daily receiving capacity of 67.9 million gallons or 208.4 acre-feet.[15] Oceanside's remaining 10% of potable supplies retailed during the reporting period are local and drawn from subterranean flows within the San Rey Luis River. Eight active wells currently access the groundwater for subsequent treatment at Oceanside's

[14] Oceanside's membership agreement allows the City to purchase for subsequent retailing an unrestricted amount of wholesale water based on availability through the County Water Authority's own wholesale relationships with the Metropolitan Water District of Southern California and Imperial Irrigation District. These relationships provide member agencies access to the Colorado River (via the Colorado Aqueduct) and Sacramento Bay Delta (via the State Water Project). The County Water Authority has also expanded its wholesale portfolio recently to include desalinated seawater from the Pacific Ocean. This source, however, is not available to Oceanside given its northern location.

[15] One of the two untreated connections can be adjusted to deliver treated supplies direct to Oceanside's distribution system.

Mission ~~Bay~~ Basin Groundwater Purification Facility (Mission ~~Bay~~ Basin GPF). The eight wells combined daily capacity is 14.4 million gallons or 44.2 acre-feet.

City of Oceanside
Available Potable Water Supplies
Table A – 6.1b | Source: Oceanside and SD LAFCO

Direct Source	Maximum Day Source Capacity	Maximum Annual Source Capacity
a) County Water Authority – Treated … Colorado River, Bay Delta, Desal	82.9 million gallons or 254.4 acre-feet	30.3 billion gallons or 92,856 acre-feet
b) County Water Authority – Untreated … Colorado River, Bay-Delta	67.9 million gallons or 208.4 acre-feet	24.8 billon gallons or 76,066 acre-feet
c) Mission Basin Groundwater … San Luis Rey River	14.4 million gallons or 44.2 acre-feet	5.3 billion gallons or 16,133 acre-feet
TOTAL	165.2 million gallons or 507.0 acre-feet	60.4 billion gallons or 185,055 acre-feet

- Oceanside's own potable water treatment capacities are sourced to two separate facilities – Weese WFP and Mission Bay GPF. Weese WFP processes all untreated water purchased from the County Water Authority. This facility was constructed in 1983 with a current rated maximum day capacity of 25.0 million gallons or 76.7 acre-feet. Mission ~~Bay~~ Basin GPF processes all groundwater drawn from the San Luis River Watershed. This facility was constructed in 1992 with a current rated maximum day capacity of 6.3 million gallons or 19.3 acre-feet. Overall, the combined capacities at Weese and Mission ~~Bay~~ Basin plus treated water readily available from the County Water Authority provides a maximum day total of 350.4 acre-feet and represents 69.1% of Oceanside's available source supply.

- Treated potable water directly enters Oceanside's distribution system and gravity flows through most of the 28 pressure zones with aid from nine booster stations. Pressure in the distribution system is directly maintained by 12 above-ground reservoirs with service dates ranging from 1956 (Fire Mountain) to 1995 (Wire Mountain). The combined storage capacity is 50.5 million gallons or 155.0 acre-feet and represents 44.2% of Oceanside's available treated supply.

Actual Demands

Oceanside's average annual demand for potable water service during the five-year report period has been 7.~~449~~061 billion gallons or ~~22,856~~21,230 acre-feet. These annual amounts translate to daily averages of ~~20.4~~19.4 million gallons and ~~62.6~~59.4 acre-feet, respectively. The daily demands are further refined into an average per capita amount of ~~118~~112 gallons which translates into a household consumption rate of ~~348~~330 gallons.[16] The average peak-day demand – i.e., the highest single-day demand during the year – over the first four years tallied 113.7 feet and represents a peaking factor of 1.~~89~~. (The peak-day demand for the fifth year is not available.)

Average Household Demand in Oceanside is ~~348~~ 330 Gallons…
Oceanside's average annual potable water demand during the report period has been ~~22,856~~21,230 acre-feet. The average per resident usage over the 60 months has been ~~118~~112 gallons and translates to an average household usage of ~~348~~330 gallons.

With respect to overall trends, Oceanside has experienced a total change of ~~8.0~~(3.9%) in potable water demands during the reporting period. The estimated per capita demand also similarly de~~in~~creased – albeit at a lower rate compared to overall usage – from ~~119~~118 to ~~126~~112 gallons and marks a (5.~~9~~3%) difference. ~~Nonetheless, and excluding the final year, water demands in Oceanside decreased over the preceding 48-month period by (3.7%). (Reasons for the acceleration in demands between the fourth and fifth years have not been assessed by Oceanside.)~~ Overall system demands and trends generated during the reporting period are shown below in Table A – 6.1c.

Demands ~~Rising~~Decreasing…
Overall water demands in Oceanside have ~~increased~~ decreased by ~~8.0~~(3.9%)% during the report period ~~with a sizable jump occurring between the fourth and fifth~~ with a similar change in per capital uses at (5.3%). ~~year.~~

City of Oceanside | Potable Water Demands
Table A – 6.1c | Source: Oceanside and SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Annual Total … acre-feet	~~22,730~~2,796	~~23,046~~20,331	~~22,068~~21,355	~~21,880~~21,940	~~24,558~~21,910	~~22,856~~21,666	~~8.0%~~ (3.9%)
Average Day Total … acre-feet	~~62.3~~62.46	~~63.1~~63.1	~~60.5~~58.4	~~60.0~~60.1	~~67.2~~60.0	~~62.6~~59.4	~~8.0%~~ (3.9%)
Average Day Per Capita							

[16] Household estimate based on a per unit average of 2.95 residents.

… gallons	~~119~~ 118	~~120~~ 105	~~114~~ 110	113	~~126~~ 112	~~118~~ 112	~~5.9%~~ (5.3%)
Peak Day Total … acre-feet	115.2	116.8	111.9	110.9	n/a	113.7*	(3.7%)
Peak Day Factor…	~~1.849~~1.844	~~1.851~~2.10	~~1.849~~1.92	~~1.848~~1.85	n/a	~~1.850~~1.93 *	~~0.05~~ 0.03%

*Denotes a four-year period average (2018-2021)

Performance Measurements

Oceanside's potable water system is operating with sufficient and excess capacities in supply, treatment, and storage to accommodate current demands based on usage generated during the five-year report period (2018-2022). 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 and currently being employed by Oceanside in its Urban Water Management Plan, which was updated during the report period in June 2021.

Room to Grow: Eight-Fold Capacity Available…
Oceanside has sufficient potable water infrastructure and related capacities to meet current and near-term demands under normal conditions. This statement is highlighted by average demands equaling no more than 12% of the City's accessible supplies under recent conditions.

The following statements summarize and quantify existing and projected relationships between Oceanside's potable water capacities and demands now and going forward through 2027. This includes referencing California's Waterworks Standards (Title 22) and its requirements, among other benchmarks, that all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide. LAFCO's focus – notably – is premised on assessing demands-to-capacities under normal conditions. It also addresses water quality and rates.

With Respect to Supplies:

- The average potable water demand generated during the reporting period for the entire distribution system (annual and daily) equals ~~12.3~~11.7% of Oceanside's maximum available potable supply based on current infrastructure capacities. This measurement adjusts to 16.9% when comparing demand to available treated potable water supply.

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system equals 22.4% of Oceanside's maximum available potable supply based on current infrastructure capacities. This measurement adjusts to 32.4% when comparing demand to available treated potable water supply.

With Respect to Potable Treatment:

- The average day potable water demand generated during the reporting period for the entire distribution system represents ~~65.2~~61.8% of Oceanside's available combined capacities at its two treatment facilities (Weese and MBGPF). This measurement decreases to ~~32.4~~16.9% when accounting for treated supplies available from the County Water Authority.

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system represents 118.4% of Oceanside's available combined capacities at its two treatment facilities (Weese and MBGPF). This measurement decreases to 32.4% when accounting for treated supplies available from the County Water Authority.

With Respect to Potable Storage:

- The average peak-day potable water demand estimated during the reporting period – albeit abbreviated to cover only the first four years – for the entire distribution system equals 73.4% of Oceanside's existing online storage capacity.

- Online storage capacity can accommodate up to 2.~~5~~ 6 days of average day demands generated over the reporting period without recharge.

With Respect to Water Quality:

- A review of records maintained by the State Water Quality Control Board shows there have been no violations or enforcement orders issued for drinking water standards to Oceanside during the reporting period.

- Oceanside's most recent water quality report covers 2021. No excessive primary or secondary contaminants were reported.

With Respect to Potable Water Rates:

- Oceanside ratepayers are billed two sets of monthly charges for potable water: (a) fixed availability fees and (b) variable usage fees with the former including pass-throughs from the County Water Authority and Metropolitan Water District. Rates have increased for most customers (single-family) by 6.4% during the report period.

- Oceanside's average monthly potable water service charge for most customers (single-family) at the end of the reporting period is $100.

With Respect to Contingencies:

- Oceanside maintains nine interconnections that can be used to share supplies during short-term emergencies or planned shutdowns. Three of these connections are with Rainbow Municipal Water District (MWD), two are with Carlsbad MWD, three are with Vista Irrigation District, and one is with U.S. Marines Camp Pendleton.

With Respect to Accommodating New Growth:

- Based on the current demand-to-capacity relationship established during the reporting period, and irrespective of growth policies, Oceanside has available water infrastructure to accommodate up to ~~269,523~~277,481 *additional households* or equivalent dwelling units (*emphasis added*). This translates to a water-system buildout population estimate of 0.~~970~~ 819 million.[17]

[17] Buildout water system assumes a per capita daily demand of ~~118~~ 112 gallons with 2.95 persons per home.

6.2 Wastewater Services

Wastewater Accounts for 5% of Oceanside's Total Staffing…
Oceanside's wastewater service function is fully self-contained and involves three classes – collection, treatment, and discharge – and covers most of the jurisdictional boundary except rural and agricultural uses to the northeast. Budgeted staffing dedicated to wastewater activities at the end of the reporting period equals 74 full-time equivalent positions.

Oceanside's wastewater service function's origins date to the early 1900s with the construction of gravity drains to collect and discharge raw sewage and other runoff into nearby water bodies most frequently involving the Loma Alta Slough. The collection system expanded in conjunction with both development and increasing regulatory requirements leading to the construction of Oceanside's first facility – La Salina Wastewater Treatment Plant (WTP) – in 1949 to provide primary treatment of wastewater collected within the City's downtown and coastal neighborhoods. A second facility – San Luis Rey WTP – was constructed in 1972 to serve Oceanside's central and neighborhoods east of Interstate 5. The wastewater function and its three classes – collection, treatment, and discharge – operate as a dedicated division within Oceanside's Water-Utilities Department. Budgeted staffing totals 73.7 full-time equivalent employees at the end of the report period. This staffing amount reflects a reduction of one full-time position over the preceding 60 months. Overall, budgeted staffing for wastewater equals 5.3% of the Oceanside total at the end of the period.

Prominent characteristics underlying Oceanside's wastewater system follow.

- LAFCO estimates the resident service population for Oceanside at the end of the reporting period at 171,063. This amount is divided between the La Salina WTP and San Luis Rey WTP service areas at 42,763 and 128,300, respectively.

- The wastewater system spans 595 miles of collection lines at the end of the reporting period. The collection system has not expanded during the period.

- Close to four-fifths of the collection system – 460 miles – operates on gravity. The remainder of the collection system – 135 miles – involves force mains and is assisted by 33 public lift stations.

- Oceanside's collection system receives untreated flows from Rainbow MWD by contract as well as raw flows from portions of the City of Vista associated with its Sunridge and Peacock neighborhoods.

- Oceanside's total number of active connections to the wastewater system within its two service areas (La Salina and San Luis Rey) is 42,619 at the end of the reporting period. The estimated equivalent dwelling unit total is 55,879.[18]

- Over nine-tenths of Oceanside's active connections are classified as residential (single-family and multi-family). The total change in active connections during the reporting period is 0.7%.

- The collection system spans most of Oceanside except agricultural and rural residential uses in the northeastern section of the City. The exact number of active septic systems on file with the County Department of Environmental Health and Quality (DEHQ) (permitted or unpermitted) is unknown. However, DEHQ oversees the layout review, installation, and repairs of septic systems which presently represent a total of thirty-one[19].

- LAFCO estimates the average single-family residential customer in Oceanside at the end of the reporting period is billed $47 monthly for wastewater services.

An expanded description of Oceanside's wastewater service function in terms of capacities, demands, and key performance measurements follows.

Resources + Current Capacities

Oceanside's wastewater service function and its three class activities – collection, treatment, and discharge – operate as an enterprise and intended to be self-sufficient without relying on the City General Fund. Actual operating revenues generated during the five-year report period have averaged $49.923 million annually with more than nine-tenths – or 92.8% – attributed to monthly service charges in the form of usage, availability, and capital improvement fees.[20] (The estimated average single-family household

Net Revenue Generation of $279 Per Home…
Oceanside's wastewater service function operates as an enterprise and has generated an average annual operating margin of 31% during the five-year report period. The total per household (equivalent dwelling unit) net revenue generation at the end of the reporting period is $279.

[18] Estimate premised on one connection equaling 0.7627 equivalent dwelling unit consistent with the potable water system.
[19] DEHQ does not maintain a record for Oceanside's active septic systems but rather, they track septic system installations and repairs from 2002 to present-day,
[20] Oceanside's wastewater rates are billed monthly and divided between three distinct fees. The first fee involves a flat availability charge currently in the amount of $19.56 for each dwelling unit or its equivalent assignment for non-residential uses (commercial, etc.). The second fee involves a fixed capital improvement charge in the current amount of $7.28 per connection. The third fee involves a variable usage charge based on 75% of the average potable water usage over the last two winter periods with most users (residential) paying $19.79 for every 748 gallons. The collective effect of these three fees at the end of the report period is a total monthly charge of $47.

monthly wastewater bill is presently $47.) Actual operating expenses have averaged $34.355 million annually with the largest component – 45.2% – tied to operations and maintenance. Oceanside's wastewater function has generated an overall annual operating margin of 31.2% during the reporting period with Oceanside's expectation to leverage the excess monies to help fund an estimated $330.0 million in planned capital improvements between 2024 and 2029. A breakdown of key funding considerations underlying the wastewater function is shown in Table A – 6.2a.

City of Oceanside
Wastewater Function
Five Year Report Period: FY18 to FY22
Table A – 6.2a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Operating Revenues	
… Average Annual	$49.923 million
… Overall Trend	8.3%
Actual Operating Expenses	
… Average Annual	$34.355 million
… Overall Trend	31.3%
Average Annual Operating Net	$15.568 million
… Average Operating Margin	31.18%
Per Equivalent Dwelling Unit (EMD) Revenue in FY22	$278.60

In concert with available funding resources, Oceanside's wastewater function and related capacities are largely dependent on physical infrastructure and headlined by treatment and discharge facilities and their permitted allowances. Summarizes follow and are further illustrated in Table A – 6.2b.

- The San Luis Rey WTP serves most wastewater customers in Oceanside via its central and eastern neighborhoods and receives flows from Rainbow MWD and portions of the City of Vista.[21] The treatment processes include preliminary, primary, and activated sludge secondary treatment. The permitted average monthly flow is currently 13.5 million gallons with 1.5 million gallons contractually allocated to Rainbow MWD.[22] San Luis Rey WTP can separately accommodate on a temporary basis peak-hourly flows up to 39.2 million gallons by sending flows into an emergency pond.

[21] Physical location is 3950 North River Road, Oceanside (92058).
[22] The State permit (NPDES No. CA0107433) covering the San Luis Rey WTP provides an average monthly flow allowance of 13.5 mgd. The San Diego Regional Water Quality Control Board authorizes San Luis Rey WTP with an additional allocation to reach the 15.4 mgd level.

- The La Salina WTP serves the coastal and downtown neighborhoods in Oceanside.[23] It treats wastewater to the secondary level by conventional biological treatment followed by clarification. The permitted average monthly flow is currently 5.5 million gallons. The La Salina WTP does not have emergency ponds.

City of Oceanside
Wastewater Treatment Capacities
Table A - 6.2b (Source: Oceanside and SD LAFCO)

Facility	Collection Zone	Daily Permitted Capacity
San Luis Rey WTP	Central + East Oceanside Rainbow MWD City of Vista	13.5 million gallons *
La Salina WTP	Downtown + Coastal Oceanside	5.5 million gallons
	TOTAL	19.0 million gallons

* San Luis Rey WTP can also expand to accommodate instantaneous peak-day flows of up to 39.2 million gallons through the use of an emergency pond.

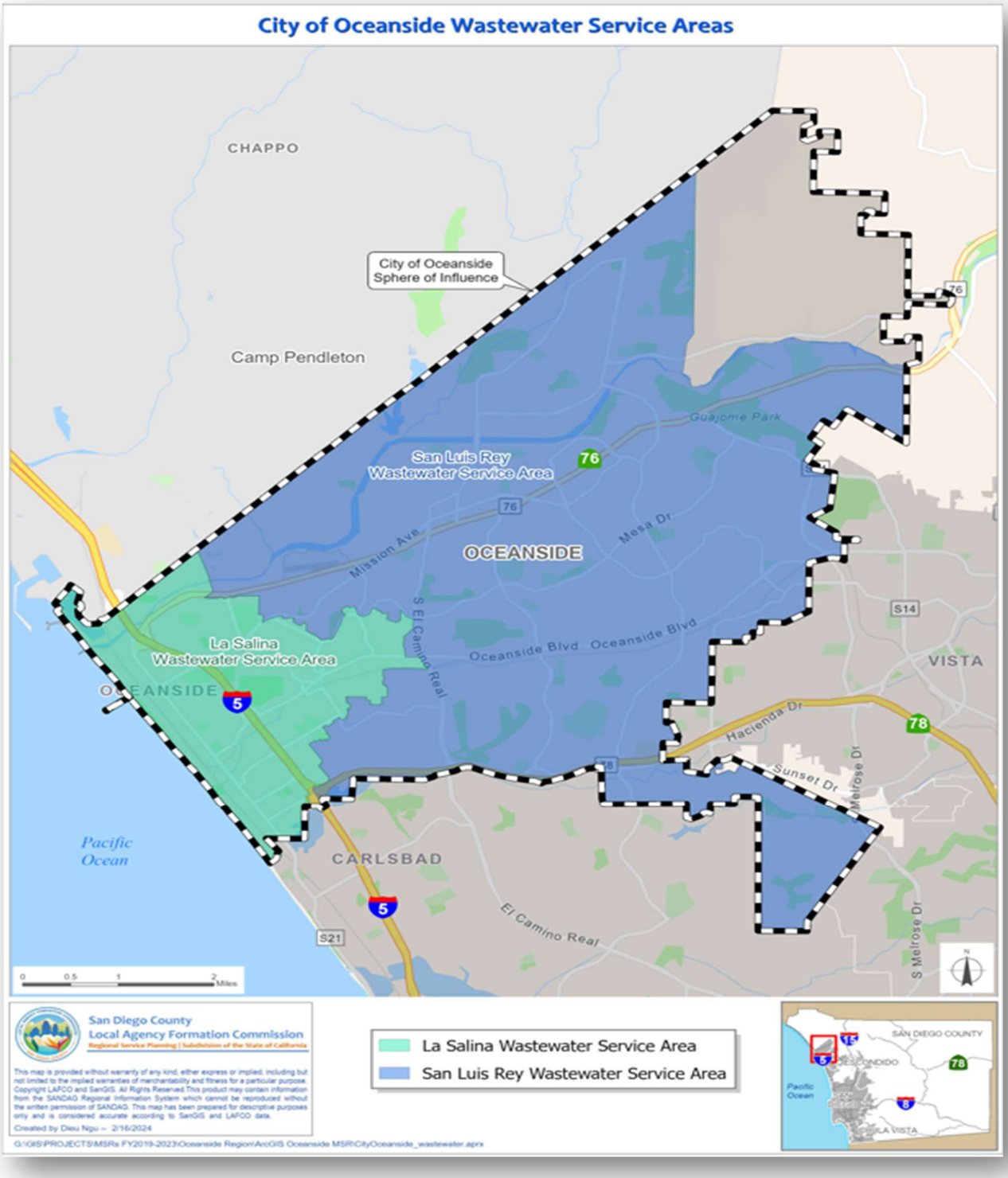
* Both San Luis Rey WTP and La Salina WTP operate under the same permit – No. CA0107433 – issued by the California Regional Water Quality Control Board – San Diego Region. The permit is expiring on March 21, 2025.

An illustration showing the approximate collection zones between Oceanside's San Luis Rey and La Salina WTPs is provided on the following page in Map No. A-2.

- San Luis Rey and La Salina WTPs both discharge secondary treated effluent to the Pacific Ocean through common connectivity to the Oceanside Ocean Outfall. (Fallbrook Public Utility District and Marine Corps Base - Camp Pendleton also contract with Oceanside to utilize this outfall through agreements with the City.) The "OOO" is a 36-inch steel pipe that extends approximately two miles offshore at a depth of 100 feet below sea level. The overall permitted average monthly flow rate for the OOO by the State Water Quality Control Board is 22.6 million gallons daily. Of this permitted average daily flow amount, 16.5 million gallons is retained by Oceanside to discharge secondary treated wastewater generated from the San Luis Rey and La Salina WTPs as well as waste brine (concentrated salt solution) generated from the Mission Basin GPF. Oceanside contracts the remaining permitted flow – 6.2 million gallons daily – to Fallbrook and Camp Pendelton. (See Table A – 6.2c.)

[23] Physical location is 1330 South Trait Street, Oceanside (92054).

Map No. A-2


City of Oceanside Wastewater Service Areas
CHAPPO
City of Oceanside Sphere of Influence
Camp Pendleton
San Luis Rey Wastewater Service Area
OCEANSIDE
La Salina Wastewater Service Area
Guajome Park
Mission Ave
Mesa Dr
S El Camino Real
Oceanside Blvd
VISTA
Hacienda Dr
Sunset Dr
Melrose Dr
S Melrose Dr
CARLSBAD
El Camino Real
Pacific Ocean
S14
S21
76
78
5
0 0.5 1 2 Miles
San Diego County Local Agency Formation Commission
La Salina Wastewater Service Area
San Luis Rey Wastewater Service Area
SAN DIEGO COUNTY
ESCONDIDO
LA VISTA

City of Oceanside
Wastewater Discharge Capacities
Table A 6.2c | Source: Oceanside and SD LAFCO)

Facility	Discharge Point	Daily Permitted Capacity
Oceanside Ocean Outfall	Pacific Ocean	22.6 million gallons * … 16.445 million gallons to Oceanside … 6.155 million gallons to Fallbrook + Pendelton

Actual Demands

With respect to the San Luis Rey service area, the average annual wastewater demands generated during the five years has been approximately 2.9 billion gallons. This macro-overview of Oceanside's largest service area represents a daily average flow of 7.850 million gallons. Average daily demands have changed by 3.5% during the period. It is estimated the portion of average wastewater flow generated from Rainbow MWD and the City of Vista accounts for 11.5% of the total demand and is divided between 9.5% and 2.0%, respectively.

Overall Demands in the San Luis Rey Service Area on the Rise…
Oceanside's average daily wastewater flow generated during the reporting period within the San Luis Rey service area has been 7.9 million gallons. The average day flows have increased by 3.5% from the 60-month marker.

Supplementary micro measurements of recent wastewater demands for the San Luis Rey service area are summarized below and further reflected in Table A – 6.2d

- Average daily dry-weather wastewater flows over the five years have been 7.790 million gallons. This flow is typically recorded between May and October and assists in measuring household demands entering the collection system. Daily dry-weather flows tallied 7.940 million gallons at the term of the period and reflect a net change of 2.6% from the 60-month marker.

- Average daily wet-weather wastewater flows over the five years have been 7.930 million gallons. This flow is typically recorded between November and April and assists in measuring the amount of inflow and infiltration entering the collection system. Daily wet-weather flows tallied 7.980 million gallons at the term of the period and reflect a net change of 4.3% from the 60-month marker.

- Average daily peak-day wastewater flows over the five years have been 11.9 million gallons. This latter amount produces a peak factor relative to average day demands of 1.5.

City of Oceanside: San Luis Rey Service Area
Recent Wastewater Demands
Table A 6.2d | Source: City of Oceanside + SDLAFCO

Year	Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2018	7.67	7.69	7.65	13.62
2019	7.83	7.58	8.12	13.45
2020	7.89	7.79	8.0	14.23
2021	7.93	7.98	7.89	9.49
2022	7.94	7.89	7.98	8.91
Average	7.85	7.79	7.93	11.94
Trend	3.5%	2.6%	4.3%	(34.6%)

Notes: all in millions of gallons per day (MGD)

With respect to the La Salina service area, the average annual wastewater demands generated during the five years has been approximately 0.928 billion gallons. This macro-overview of system demands for the smaller of the two service areas represents a daily average flow of 2.542 million gallons. Average daily demands have decreased by (7.3%) during the period.

Overall Demands in the La Salina Service Area on the Decline…
Oceanside's average daily wastewater flow generated during the report period within the La Salina service area has been 2.542 million gallons. The average day flows have decreased by (7.3%) from the 60-month marker.

Supplementary micro measurements of recent wastewater demands for the La Salina service area are summarized below and further reflected in Table A – 6.2e.

- Average daily dry-weather wastewater flows over the five years have been 2.552 million gallons. This flow typically is recorded between May and October and assists in measuring household demands entering the collection system. Daily dry-weather flows tallied 2.540 million gallons at the term of the period and reflect a net change of (9.0%) from the 60-month marker.

- Average daily wet-weather wastewater flows over the five years have been 2.478 million gallons. This flow typically records between November and April and assists in measuring inflow and infiltration entering the collection system. Daily wet-weather flows tallied 2.330 million gallons at the term of the period and reflect a net change of (13.1%) from the 60-month marker.

- Average daily peak-day wastewater flows over the five years have been 4.44 million gallons. This latter amount produces a peak factor relative to average day demands of 1.7.

City of Oceanside: La Salina Service Area
Recent Wastewater Demands
Table A – 6.2e | Source: City of Oceanside + SDLAFCO

Year	Average Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2018	2.74	2.79	2.68	4.32
2019	2.66	2.66	2.76	5.65
2020	2.41	2.41	2.35	5.67
2021	2.36	2.36	2.27	3.23
2022	2.54	2.54	2.33	3.35
Average	2.542	2.552	2.478	4.44
Trend	(7.3%)	(9.0%)	(13.1%)	(22.5%)

Notes: all in millions of gallons per day (MGD)

Performance Measurements

Oceanside is currently operating with sufficient and excess wastewater capacities within both of its wastewater service areas in accommodating demands generated during the five-year report period under *normal conditions* (emphasis) This statement is substantiated by average day flows over the 60 months equaling 58.1% and 46.2% of the permitted treatment capacities at Oceanside's San Luis Rey and La Salina WTPs, respectively. The combined average day flows treated at both facilities similarly equals only 63.2% of its retained discharge capacity to the Pacific Ocean via the OOO. Notwithstanding these conclusions, more information on peak-day flows is needed to complete the analysis.

Room to Grow: Excess Capacity of Two-Fold Available…
Oceanside's two treatment facilities are both operating with excess capacity of no less than 42% of their permitted allowance under normal conditions based on average flow demands generated during the five-year report period. Similarly, the combined treated flows under normal conditions equals less than one-third of Oceanside's allocated discharge capacity.

With respect to other performance measurements, the following items are noted.

- A review of the records maintained by the State Water Quality Control Board shows there have been seven violations by Oceanside during the five-year report period involving the mishandling and/or spilling of wastewater with six involving the La Salina WTP system. The largest incident involved the unauthorized release of ~~1.2~~0.988 million gallons due to a pump failure off Haymar Road causing spillage into Buena Vista Creek. The last violation during the reporting period occurred on April 10, 2020.

- Capital improvements are guided by a Sewer System Management Plan, which was adopted by the City Council and most recently updated in ~~October 2015~~April 2021.

- Oceanside currently cleans approximately 1,750,000 feet of pipe each year. This amount represents about 72% of the current collection system and means the entire collection system is on pace to be cleaned every two-and-a-half years.

- Based on the current demand-to-capacity relationship established during the reporting period, Oceanside has available wastewater infrastructure to accommodate up to 34,223 *additional* households or equivalent dwelling units (*emphasis added*) within its two service areas. This translates to a total wastewater system buildout population estimate of 0.276 million.[24]

6.3 Integrated Fire Protection, Emergency Medical, + Ambulance Services

Fire Protection et al. Accounts for 14% of Oceanside's Total Staffing…
Oceanside's integrated fire protection, emergency medical, and ambulance functions are categorized by LAFCO as structural, paramedic – advanced life support (ALS), and direct, respectively, with the former including several ancillary subclasses – including lifeguard. Budgeted staffing at the end of the reporting period covering these integrated functions equals 136.0 full-time equivalent positions.

Oceanside established formal fire protection service in 1929 and in doing so replacing an all-volunteer company that emerged following the City's incorporation in 1888. By the late 1930s, Oceanside had opened its first dedicated fire station at the corner of Nevada Street and Pier View Way as well as hired its first full-time firefighters. This one station singularly served Oceanside until a second station was opened in 1953 followed by a third in 1963. (A total of five additional fire stations were subsequently added by Oceanside in step with the eastward expansion of the City with the last – eighth – opening in 2012.) Oceanside proceeded to establish and integrate ambulance and emergency medical functions in 1971 all under its Fire Department with the latter evolving to paramedic services by the end of the same decade.

LAFCO categorizes Oceanside's fire protection function as structural with three ancillary subclasses: prevention; hazardous materials; and lifeguard. Ambulance and emergency medical functions are separately categorized by LAFCO as direct and paramedic–advanced life support, respectively. A description of the integrated function's – and its classes – capacities, demands, and performances follow.

[24] Buildout of wastewater system assumes a per capita daily demand of 59.9 gallons with 2.95 persons per home.

Resources + Current Capacities

Resource Equivalency Need on the General Fund is $206 Per Capita…
Oceanside's General Fund monies have covered 98% of the integrated fire protection, emergency medical, and ambulance functions' actual expenses during the five-year report period. The total per capita General Fund expense at the end of the report period totals $206.

Oceanside's integrated fire protection, emergency medical, and ambulance functions' resources are predominately supported by the City General Fund and marked by covering 98.0% of actual expenses during the five-year report period. (This includes all-purpose monies collected by Measure X.[25]) The remainder of the funding resources are tied to service charges (ambulance), donations, and grant monies. Close to four-fifths – or 78.3% – of all actual expenses during the reporting period have covered labor costs and marked by funding 129.4 full-time equivalent employees in 2021-2022. The integrated functions account overall for 18.8% of all City General Fund monies expended by Oceanside over the preceding 60-month period. See Table A – 6.3a for additional details.

City of Oceanside
Integrated Fire Protection, Emergency Medical, + Ambulance Functions
Five Year Report Period: FY18 to FY22
Table A – 6.3a | Source: City of Oceanside + SD LAFCO

Categories	All Functions and Classes
Actual Total Expenses	
… Average Annual	$34.184 million
… Overall Trend	21.8%
Actual General Fund Expenses	
… Average Annual	$33.485 million
… Overall Trend	14.6%
Average Annual Actuals Covered by General Fund	98.0%
Average Annual Portion of General Fund	18.4%
Per Capita - General Fund Expenses in FY22	$206.17

In concert with available funding, Oceanside's integrated fire protection, emergency medical, and ambulance functions are primarily dependent on human resources through its own staffing arrangements and marked by a memorandum of understanding – or MOU – with the Oceanside Firefighters' Association. The current MOU specifies an average 56-hour work week – otherwise known as a traditional "Kelly" schedule – for all fire suppression personnel. This means suppression personnel

[25] Measure X is a voter-approved ½ cent sales tax with revenues used to enhance public safety, improve road conditions, bolster public infrastructure, and aid in homelessness. All Measure X expenditures are reviewed by a Citizen Oversight Committee. Measure X is presently set to sunset in April 2026.

(firefighters) work a 24-hour shift followed by 24 hours, alternating for 8 days and followed by either 4 or 6 consecutive full days off resulting in an average of 8 working days in a 24-day work cycle. The entry annual pay for a first-year firefighter/paramedic at Oceanside under the MOU is $81,804.

Overall budgeted staffing at the end of the reporting period tallies 136.0 full-time equivalent employees and represents a change of 17 positions – or 14.3% – over the prior 60 months. Staffing is divided between public safety and non-public safety with the former consisting of both dual-role (cross-trained firefighters-paramedics) and single-role (emergency medical technicians) personnel. Total public safety personnel budgeted at the end of the reporting period equals 127.0 with the remaining amount – 9.0 positions – involving non-public safety. Additional details are in Table A – 6.3b

City of Oceanside
Budgeted Staffing - Fire, Emergency Medical + Ambulance
Table 6.3b | Source: City of Oceanside

Category	FY 2018	FY 2022	Average	Trend
Public Safety: Dual Role (Firefighters + Paramedics)	111	112	111.5	0.9%
Public Safety Single Role (Emergency Medical Techs)	0	15	7	100%
Non-Public Safety	8	9	8.5	12.5%
Total	119	136	127	14.3%
Per 1,000 Residents *	.68	.80	.73	17.6%

Oceanside's current Fire Chief – David Parsons – has served in the position since the end of the reporting period in 2022 and oversees three divisions: administration; operations; and community risk reduction. Operations serve as the largest division and allocated 94% of all budgeted personnel through the end of the period. Actual services are delivered out of eight fire stations in concert with contract dispatch and data services from North County Dispatch JPA. (Administration operates out of City Hall.) Oceanside's adopted minimum staffing standard for fire engines and trucks is three. The minimum staffing standard for ambulances is two. Current station details follow and are shown in Map No. A-3.

- **Station No. 1** is located in downtown Oceanside at 714 Pier View Way west of Interstate 5. It was built in 1929. Station No. 1 typically responds to the highest number of dispatched calls averaging 9.2 incidents daily. This average represents 19.3% of the daily total demand during the report period. Oceanside assigns five public safety personnel every 24 hours. [26]

[26] Station No. 1 operates a Type 1 paramedic engine and a paramedic ambulance and is staffed with a captain, engineer, two

- **Station No. 2** is located in southern Oceanside at 1740 South Ditmar Street west of Interstate 5. It was built in 1952. Station 2 typically responds to the second-fewest number of dispatched calls averaging 3.7 incidents daily. This amount represents 7.8% of the daily total demand during the report period. Oceanside assigns three public safety personnel every 24 hours.[27]

- **Station No. 3** is located in the El Corazon neighborhood in central Oceanside at 3101 Oceanside Boulevard east of Interstate 5. It was built in 1962 and rehabilitated in 2021 following a fire that damaged most of the interior living space.~~as a replacement for the original structure built in 1962.~~ Station No. 3 typically responds to the third-most dispatched calls averaging 7.0 incidents daily. This amount represents 14.7% of the daily total demands during the reporting period. Oceanside assigns seven public safety personnel every 24 hours.[28]

- **Station No. 4** is located near Tri-City Medical Center in southern Oceanside at 3990 Lake Boulevard south of Highway 78. It was built in 1990. Station No. 4 typically responds to the second-most dispatched calls averaging 7.3 incidents daily. This amount represents 15.3% of the daily total demands during the period. Oceanside assigns five public safety personnel every 24 hours.[29]

- **Station No. 5** is located in the San Luis Rey neighborhood in north Oceanside at 4841 North River Road north of Highway 76. It was built in 1973. Station 5 responds to the fifth-most dispatched calls averaging 5.8 incidents daily. This amount represents 12.2% of the daily total demands during the period. Oceanside assigns three public safety personnel every 24 hours.[30]

- **Station No. 6** is located near Guajome Park at 895 North Santa Fe south of Highway 76. It was built in 1996. Station No. 6 typically responds to the fewest number of dispatched calls averaging 3.6 incidents daily. This amount represents 7.7% of the daily total demands during the reporting period. Oceanside assigns five public safety personnel every 24 hours. [31]

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firefighter-paramedics, and a single-role EMT.

27 Station No. 2 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.

28 Station No. 3 operates a Type 1 paramedic engine, a paramedic ambulance, and a basic life support EMT ambulance and is staffed with a captain, engineer, two firefighter-paramedics, and three single-role EMTs.

29 Station No. 4 operates a Type 1 paramedic engine, a paramedic ambulance, and cross-staffs a Type 3 brush fire engine with a captain, engineer, two firefighter-paramedics, and a single-role EMT.

30 Station No. 5 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.

31 Station No. 6 operates a Type 1 paramedic engine, a paramedic ambulance, and cross-staffs a Type 3 brush fire engine with a captain, engineer, two firefighter paramedics, and ~~two single~~ one single-role EMT.

- **Station No. 7** is located near the Oceanside Municipal Airport at 3350 Mission Avenue in central Oceanside south of Highway 76. It was built in 2007. Station No. 7 responds to the fourth-most number of dispatched calls averaging 5.9 incidents daily. This amount represents 12.3% of the daily total demands during the period. Oceanside assigns 10 public safety personnel every 24 hours. [32]

- **Station No. 8** is located near Mira Costa College at 1935 Avenida Del Oro in eastern Oceanside. The building is leased and used as Station No. 8 since 2012. Station No. 8 has the sixth-most number of dispatched calls averaging 5.1 incidents daily. This amount represents 10.8% of the daily total demands during the reporting period. Oceanside assigns three public safety personnel every 24 hours. [33]

Specific to the placement of ambulance resources, Oceanside operates four ALS ambulances and ~~three~~ two BLS ambulances on a 24-hour basis. ALS ambulances are staffed with a firefighter/paramedic and a single-role EMT. Each BLS ambulances are staffed with two single-role EMTs. Ambulance services are delivered out of Stations 1, 3, 4, 6, and 7. Overall resource assignments are shown in Table A – 6.3b.

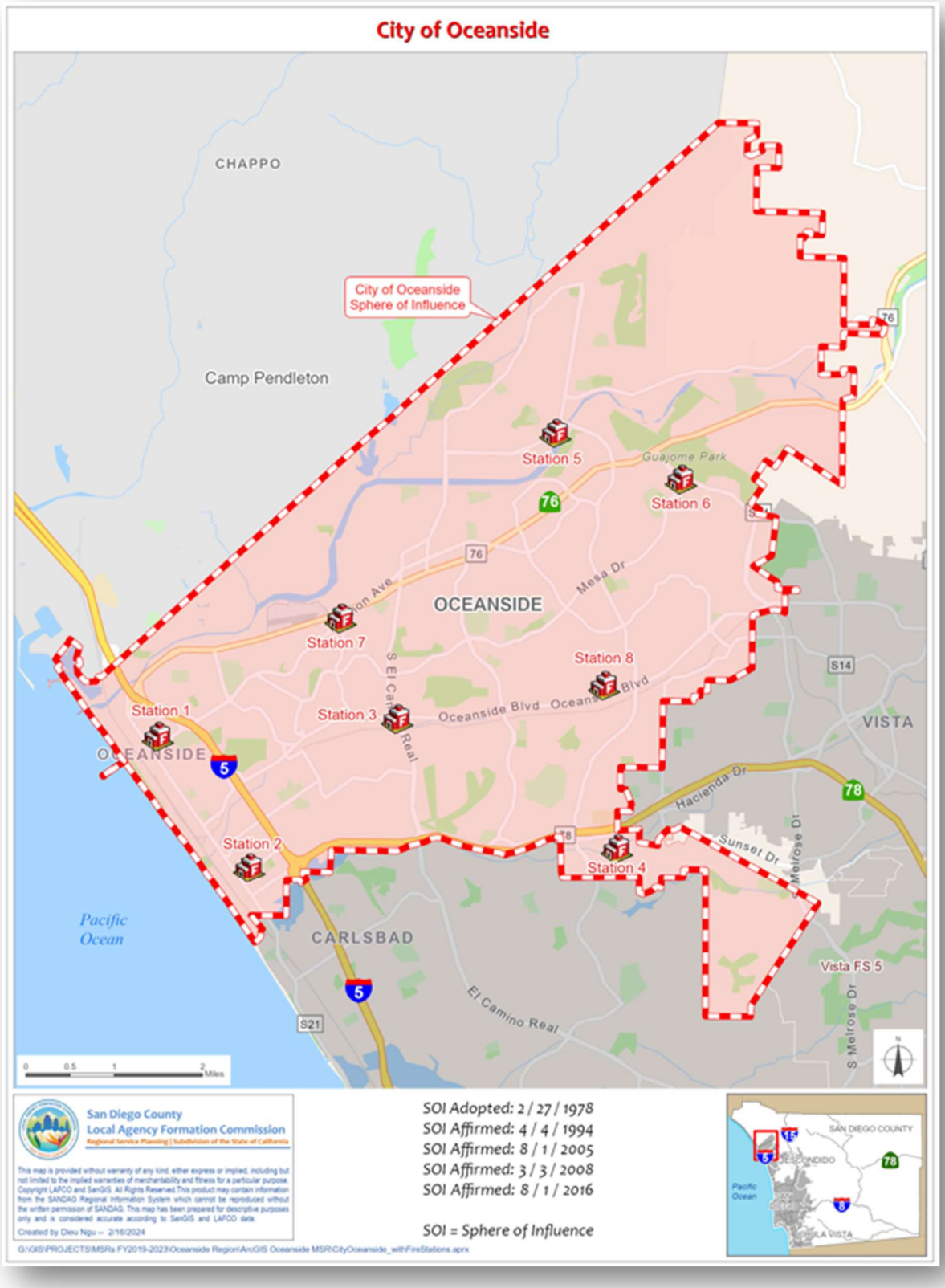
City of Oceanside:
Fire Stations' Assignments as of FY2022
Table A – 6.3b | Source: Oceanside

Station	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	Total
24 hr. Staffing	5	3	7	5	3	5	10	3	41
Fire Engines	1	1	1	1	1	1	1	1	8
Ambulances	1	0	2	1	0	~~2~~1	1	0	~~7~~6
Brush Engines	0	0	0	1	0	1	1	0	3
Truck Company	0	0	0	0	0	0	1	0	1
Command Vehicles	0	0	0	0	0	0	1	0	1
Other Vehicles	0	0	1	0	0	0	12	0	13

[32] Station No. 7 operates a Shift Battalion Chief, a Type-1 paramedic engine, a Truck company, a basic life support EMT ambulance, and cross-staffs a Type 3 brush fire engine and is staffed with a battalion chief, 2 captains, 2 engineers, 3 firefighter-paramedics, and two single-role EMTs.

[33] Station No. 8 operates a Type 1 paramedic engine and is staffed with a captain, engineer, and one firefighter-paramedic.

Map No. A-3


City of Oceanside
CHAPPO
City of Oceanside
Sphere of Influence
Camp Pendleton
Station 5
Guajome Park
Station 6
76
OCEANSIDE
Mesa Dr
Station 7
Station 8
Station 1
Station 3
Oceanside Blvd
S El Camino Real
VISTA
S14
Hacienda Dr
78
Station 2
Station 4
Sunset Dr
Melrose Dr
Pacific
Ocean
CARLSBAD
Vista FS 5
El Camino Real
S21
S Melrose Dr
San Diego County
Local Agency Formation Commission
SOI Adopted: 2 / 27 / 1978
SOI Affirmed: 4 / 4 / 1994
SOI Affirmed: 8 / 1 / 2005
SOI Affirmed: 3 / 3 / 2008
SOI Affirmed: 8 / 1 / 2016
SOI = Sphere of Influence
SAN DIEGO COUNTY
ESCONDIDO
VISTA

Oceanside supplements its own fire protection, emergency medical, and ambulance resources by maintaining reciprocal automatic aid agreements with surrounding jurisdictions.[34] Most notably, Oceanside is a signatory to the San Diego North Zone Auto Aid Agreement along with Marine Corps Base Camp Pendleton, North County and Valley Center FPDs, and Cities of Vista, Carlsbad, Encinitas, Del Mar, Solana Beach, San Marcos, and Escondido. All agencies under the North Zone Auto Aid Agreement deploy resources based on which unit is closest or upon request, including processing time. Additional details on the volume of automatic aid agreement transactions are provided in the proceeding section on demands.

Oceanside's lifeguard service – which is subclass under the fire protection function – covers 3.7 miles of beach from Oceanside Harbor to South Oceanside. Actual services are administered from the lifeguard headquarters at the base of Oceanside Pier, which operates seven days a week throughout the year.

Actual Demands

Overall service demands for Oceanside's integrated fire protection, emergency medical, and ambulance functions during the five-year report period are headlined by receiving an annual average of 18,509 dispatched calls – which equals 50.0 daily. Approximately 8% of all dispatched calls assigned to Oceanside were canceled and results in onsite arrivals averaging 17,035 annually or 46.7 daily. Overall, annual onsite incident demands increased during the 60 months with an overall change of 17.7%. The peak demand was recorded in 2022 with an average onsite response of 52.3 incidents daily.

> **Demands are Rising…**
> Oceanside's actual onsite demands during the reporting period have increased by 18% from 44 to 47 per day; this latter tally equals one onsite response every 30 minutes.

A breakdown of actual onsite arrivals shows Oceanside responded exclusively to 81.9% of all fire protection and emergency medical incidents during the reporting period within its jurisdictional boundary.[35] Table A – 6.3c summarizes annual calls and onsite arrivals – including agency responders – as well as trends during the period.

[34] Automatic aid is particularly valuable in responding to larger incidents where multiple fire units and/or specialized rescue and fire suppression equipment are needed, as well as handling calls that cross jurisdictional boundaries, where units from an adjoining jurisdiction are the closest, most appropriate resource. Measuring automatic aid response includes identifying the percentage of an agency's total call volume where an outside agency was dispatched and determining the type of service the outside agency provided.

[35] With data provided from several dispatch agencies, unable to differentiate between auto aid responses with one Escondido resource arriving at scene against those handled exclusively by auto aid resources.

City of Oceanside
Fire Protection and EMS Demands
Table A - 6.3c | Source: City of Oceanside + SDLAFCO

Category	FY2018	FY2019	FY2020	FY2021	FY2022	Average	Trend
Total Dispatched Incidents	17,779	17474	17738	18778	20776	18,509	16.86%
Total Cancelled Calls	1562	1,292	1,343	1,482	1,690	1,474	8.19%
Total Onsite Responses	16,217	16,182	16,395	17,296	19,086	17,035	17.69%
… Average Daily Responses	44.4	44.3	44.9	47.4	52.3	46.7	17.69%
… Responded by Oceanside	13,560	13,531	13,372	13,940	15,373	13,955	13.37%
… Responded by Oceanside + Others	1,790	1,779	2,042	2,352	2,551	2,103	42.51%
… Responded by Other Only	867	873	981	1,005	1,163	978	34.14%
… % Automatic Aid Received	21.05%	21.37%	23.31%	24.77%	25.72%	23.24%	22.19%
… % Automatic Aid Provided	17.84%	16.73%	16.55%	15.88%	16.46%	16.69%	-7.74%

As shown above, almost one-fifth of all onsite incidents within Oceanside during the reporting period necessitated auto-aid from one or more outside agencies. This dependency on auto-aid also increased during the 60 months by 22.19%. Comparatively, Oceanside provided an amount of auto-aid equal to 16.7% of all assigned incidents and represents a (7.74%) change over the span of the reporting period.

Increasing Auto-Aid Benefits…
Oceanside's auto-aid demands has benefited the City over the report period with nearly a 40% difference in the overall average between receiving auto-aid versus providing auto-aid.

With respect to the overall portion of demands necessitating transport to area hospitals, and as detailed in Table A - 6.3d, Oceanside averaged 9,411 ambulance trips per year during the reporting period. This amount produces a daily average of 25.8 ambulance trips with an overall change of just over one-seventh or – 14.9%. More than four-fifths – or 85.1% – of all ambulance transports were in Oceanside's jurisdictional boundary. The trend of ambulance demands in the jurisdictional boundary has relatedly increased by one-sixth or 16.9%.

Calls Resulting in Ambulance Trips Also on the Rise…
Actual onsite demands for ambulance transport in Oceanside have averaged 25.8 daily during the reporting period with an overall change of 14.9%.

City of Oceanside:
Ambulance Transport Demands Only
Table A – 6.3d | Source: City of Oceanside + SDLAFCO

Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Trend
Total Dispatched Incidents	14,953	14,602	14,251	15,048	16,909	15,153	13.08%
Total Cancelled Calls	5,819	5,736	5,016	5,722	6,414	5,741	10.23%
Total Onsite Incidents	9,134	8,866	9,235	9,326	10,495	9,411	14.90%
… within Oceanside	7,643	7,445	7,936	8,103	8,936	8,013	16.92%
… outside Oceanside	1,491	1,421	1,299	1,223	1,562	1,399	4.76%

Oceanside's lifeguards provide comprehensive services necessitating emergency response, code enforcement, and public education. Oceanside averaged just over 4 million beach visits annually over the five-year report period with an average annual demand of 1,953 rescues. Drownings have increased by 100% over the reporting period – with an average of 1 per year - although have all been unguarded, meaning that no lifeguard was present in the swimming area at the time of drowning. Enforcement actions – ranging from corrective action for minor infractions to arrest for more serious offenses – have decreased by 5.9%. (See Table A – 6.3e.)

City of Oceanside
Lifeguard Service Demands Only
Table A – 6.3e | Source: United States Lifesaving Association + SD LAFCO

Category	FY2018	FY2019	FY2020	FY2021	FY2022	Average	Trend
Beach Attendance (est.)	4,744,673	4,346,048	4,184,423	3,671,203	3,078,624	4,004,994	-35.1%
Water Rescues	2,500	1,921	1,601	1,552	2,190	1,953	-12.4%
Preventative Actions	111,515	80,096	91,496	71,734	22,164	75,401	-80.1%
Medical Aids	4,229	3,315	3,431	1,909	1,886	2,954	-55.4%
Boat Rescues	20	19	16	10	39	21	95.0%
Drowning Fatalities	0	2	1	2	0	1	100%
- Unguarded	0	2	1	2	0	1	100%
- Guarded	0	0	0	0	0	0	0%
Enforcement	81,864	56,473	96,792	68,681	86,690	78,100	5.9%

Performance Measurements

Oceanside's capacities as measured by staffing and equipment appear sufficiently sized to readily accommodate existing demands within its jurisdictional boundary through the timeframe of this report. This sufficiency is quantified and highlighted with Oceanside having the resources to respond exclusively to more than four-fifths – or 81.9% – of all onsite incidents within its jurisdictional boundary during the five-year reporting period. This self-sufficiency has also shown resiliency given the ability to concurrently absorb an 18% increase in actual onside demands over the reporting period from an average of 44 to 47 each day; the latter equaling attending one onsite response every 30 minutes.

Sufficient + Resilient Capacities…
Key measurements generated over the five-year report period show Oceanside has established sufficient resources to meet current and near-term demands and is headlined by being able to exclusively respond to more than four-fifths of all onside incidents.

Other key performance measurements drawn from the report period follow:

- Oceanside's most recent evaluation of structural fire protection capabilities from the Insurance Services Office (ISO) was completed in 2020 and resulted in a Class 2/2x designation, which represents the second-highest available rating.

- As noted in Table A – 6.3d, and consistent with earlier trends, demand for ambulance services increased by 16.9% during the report period. Oceanside has proactively aligned resources to accommodate the increasing demand for ambulance services by successfully sponsoring Measure X in 2018, which was approved by voters and applies a seven-year ½ cent sales tax beginning in 2019 with proceeds directly augmenting ambulance staffing by funding 15 new public safety EMTs. Oceanside has also drawn on Measure X monies to increase the number of ambulances daily from four to six beginning in 2019.[36]

- As noted in Table A – 6.3c, during the five-year measurement period, automatic aid received by Oceanside increased by 22.2% while automatic aid given by Oceanside decreased by (7.7%). Oceanside has begun to address the imbalance by availing its EMT ambulance to automatic aid beginning in 2023.

6.4 Parks and Recreation Services

Parks and Recreation Accounts for 2% of Oceanside's Total Staffing…
Oceanside's park and recreation function is divided into three overlapping classes for purposes of this report: (a) aquatics; (b) parks and open space; and (c) community recreation. Budgeted staffing at the end of the report period covering all three classes equals 21.2 fulltime equivalent positions.

The City of Oceanside's parks and recreation service function dates to the time of incorporation in 1888 with an initial focus on providing beach-related amenities beginning with clearing the shoreline from disregarded pier materials for general public benefit. This function has evolved to include a traditional parks network divided between neighborhood and community sites along with an increasing emphasis on providing open space and trails. The function is divided by LAFCO into three overlapping classes – aquatics, parks and open space, and community recreation – and managed through Oceanside's Park and Recreation Department. (The Parks and Recreation Department was reorganized as a standalone City department beginning in 2021 and underlies the reason for the abbreviated report period applied to this

[36] A component of this program included the evaluation of call triage and priority medical dispatch, wherein 9-1-1 calls were evaluated at the dispatch level based on medically approved screening criteria, and resources were then dispatched based on the level of call acuity. Widely recognized for improving efficiency in resource utilization, this medical priority dispatch system (MPDS) has since been adopted on a Zone-wide basis within the San Diego County North Zone Operational Area. MPDS has been in existence for some time within the City of San Diego and County-wide adoption of policies for implementing such practices is forthcoming.

function.) A description of the parks and recreation service function's capacities, demands, and performances within these three classes follows.

Resources, Current Capacities + Demands

Resources for Oceanside's parks and recreation function and its three overlapping classes are primarily supported by the City General Fund and marked by covering more than nine-tenths of actual expenses during the abbreviated two-year report period. (Information covering the first three years of the report period is not readily available due to the internal reorganization of the Parks and Recreation Department as a stand-alone department beginning in 2021.) The remainder of the funding resources are primarily tied to service charges, donations, and grant monies. The three classes overall account for 2.4% of all City General Fund monies expended by Oceanside over the preceding 24-month period. Close to three-fifths – or 56.4% – of actual expenses spanning all three classes have covered labor costs and marked by funding 21.2 full-time equivalent employees and another 152 extra-help personnel (lifeguards, camp counselors, etc.) at the end of the reporting period. (See Table A – 6.4a.)

Resource Equivalency on the Oceanside General Fund is $32 Per Capita…
General Fund monies have covered 95% of the City of Oceanside's park and recreation function expenses over the abbreviated report period (FY21 to FY22). The total per capita General Fund expense at the end of the report period totals $32.

City of Oceanside
Parks and Recreation Function + Associated Classes
Abbreviated Report Period: FY21 to FY22
Table A – 6.4a | Source: City of Oceanside + SD LAFCO

Categories	(a) Aquatics, (b) Parks and Open Space, and (c) Community Recreation
Actual Total Expenses	
… Average Annual	$5.142 million
… Overall Trend	49.2%
Actual General Fund Expenses	
… Average Annual	$4.864 million
… Overall Trend	37.7%
Average Annual Actuals Covered by General Fund	94.6%
Average Annual Portion of General Fund	2.40%
Per Capita - General Fund Expenses in FY22	$32.27

Specific capacities and resources available within each of the function's three classes follow along with summaries of recent demands.

Aquatics Class:

Oceanside began providing aquatic class activities in the 1950s with the opening of the first of three municipal swimming pools. The original facility – Brooks Swim Center – is located in north-western Oceanside and comprises a seven-lane outdoor heated pool that extends approximately 100 feet in length. A second facility – Marshall Swim Center – was added in the early 1960s in southwestern Oceanside. It comprises a six-lane outdoor heated pool that extends approximately 75 feet in length. The third facility – William Wagner Aquatic Center – was added in 2021 in central Oceanside. It includes multiple outdoor pools and is headlined by an approximate 164-foot pool (olympic size) used for school and regional competitions. All three aquatic facilities are accessible to the public via an entrance fee ranging from $3 to $5. Annual memberships are also available at $350 (individual) to $500 (family).

City of Oceanside
Parks + Recreation Function: Aquatic Class
Table A – 6.4b | Source: City of Oceanside

Site	Location	Pools	Lanes	Restrooms	Lockers	Built
Brooks Swim Center	130 Brooks Street	1	7	Yes	No	1950s
Marshall Swim Center	1404 Marshall Street	1	6	Yes	No	1960s
Wagner Aquatic Center	3306 Senior Center Drive	2	~~18~~30	Yes	Yes	2020s

With respect to actual service demands, and as reflected in Table A – 6.4c, the average number of swim classes annually offered by Oceanside during the five-year report period has been 299. This amount generates a per capita ratio of 1.7 rentals for every 1,000 residents.[37] The average annual class offering adjusts upward to 375 – or 2.1 classes for every 1,000 residents – less pandemic-associated closures in FY2020 and FY2021. Annual class offerings overall have increased during the report period by three-fifths from 287 in FY2018 to 488 in FY2022 and largely attributed to the opening of the Wagner Aquatic Center. The total annual class participation nearly doubled during the reporting period and in doing so outpaced the expanded class offerings with the average number of participants increasing for every class from 5.4 to 6.2.

[37] LAFCO estimates the five-year average population within the City of Oceanside at 172,962.

City of Oceanside: Parks + Recreation Function: Aquatics Class Demands Table A - 6.4c | Source: City of Oceanside + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Swim Class Offerings	287	349	170	199	488	299	70.0%
Swim Class Participants	1,542	1,710	917	1,278	3,029	1,695	96.4%
…Average Participants Per Class	5.4	4.9	5.4	6.4	6.2	5.7	15.5%

Parks and Open Space Class:

Oceanside began providing general park and open space class activities immediately upon incorporation in 1888 with the ongoing maintenance and improvement of the municipal beaches forming its shoreline against the Pacific Ocean. Oceanside expanded this class in the late 1920s with the development of the City's first of eventually ~~13~~ 16 community parks, Parnassus Circle – which was later renamed Buddy Todd Park. The other community parks were subsequently developed over the next 100 years with the most recent addition involving the first of several planned phases of El Corazon Park beginning in 2022. Oceanside also maintains 16 neighborhood parks that have been largely developed incrementally as part of individual subdivision approvals starting in the 1970s. In all, and as shown in Table A – 6.4d, Oceanside maintains 12 beaches and ~~30~~ 32 parks ~~and open space resources~~ (~~beaches,~~ community~~,~~ and neighborhood) that collectively total ~~413.6~~425.7 ~~-~~acres at the end of the reporting period with 78.0 acres – or ~~14.5~~18.3% – added during the 60 months.

City of Oceanside Parks + Recreation Function: Parks + Open Space Class (General Uses) Table A – 6.4d | Source: City of Oceanside + SDLAFCO						
Beach Site	Acres	Free Parking	Paid Parking	VB Courts	BBQ Grills	Restrooms
Harbor Beach	20.9	Yes	Yes	Yes	Yes	Yes
San Luis Rey Beach	2.0	Yes	Yes	No	No	No
Tyson Street Beach	2.5	No	Yes	No	No	Yes
Buccaneer Beach	0.5	Yes	No	No	No	Yes
Wisconsin Street Beach	0.1	Yes	Yes	No	No	Yes
Oceanside Blvd Beach	0.1	Yes	No	No	No	No
Breakwater Beach	5.8	No	Yes	Yes	Yes	Yes
Pier View South	2.2	No	Yes	No	Yes	Yes
Pier View North	4.1	No	Yes	Yes	No	Yes
The Rock Beach	0.2	Yes	No	No	No	No
Cassidy Street Beach	0.1	Yes	No	No	No	No
S Cassidy Street Beach	0.1	Yes	No	No	No	No

Park Site	Acres	Type	BB Courts	BB Diamonds	Multi-Purpose Fields	Restrooms
Buddy Todd Park	19.0	Community	Yes	No	Yes	Yes
Capistrano Park	14.0	Community	Yes	Yes	Yes	Yes
El Corazon Park	78.0	Community	No	No	Yes	Yes
Joe Sepulveda Park	19.0	Community	Yes	Yes	No	No
John Landes Park	10.9	Community	Yes	Yes	Yes	Yes
Libby Lake Park	27.6	Community	No	No	No	No
Luiseno Park	10.0	Community	No	No	Yes	Yes
Buchanan Park	29.0	Community	No	No	Yes	Yes
Marshall Park	4.0	Community	No	No	Yes	Yes
MLK Jr. Park	15.0	Community	No	Yes	Yes	Yes
Oak Riparian Park	26.7	Community	No	Yes	Yes	Yes
Jim Wood Park	16.5	Community	No	No	Yes	Yes
Ron Ortega Park	15.3	Community	No	Yes	No	Yes
Joe Balderrama Park	3.9	Community	Yes	No	Yes	Yes
Melba Bishop Park	17.6	Community	Yes	Yes	Yes	Yes
Linear Park	12.0	Community				
Alamosa Park	7.0	Neighborhood	No	No	Yes	Yes
Buccaneer Park	6.4	Neighborhood	Yes	No	Yes	Yes
Cesar Chavez Park	0.1	Neighborhood	Yes	No	No	No
Fireside Park	4.0	Neighborhood	Yes	Yes	Yes	Yes
Heritage Park	4.0	Neighborhood	No	No	No	Yes
Ivey Ranch Park	11.1	Neighborhood	No	No	No	No
Carrasco Park	3.4	Neighborhood	No	No	Yes	No
Lake Park	10.0	Neighborhood	No	Yes	No	Yes
Lion's Club Park	0.5	Neighborhood	No	No	Yes	No
Marlando Park	6.0	Neighborhood	No	No	Yes	No
Palisades Park	6.4	Neighborhood	No	Yes	Yes	No
Oceanside Park	4.0	Neighborhood	No	Yes	Yes	No
Spring Creek Park	3.0	Neighborhood	No	No	Yes	No
Strand Beach Park	0.6	Neighborhood	No	No	No	No
Tyson Street Park	1.6	Neighborhood	No	No	Yes	Yes
Women's Club Park	0.5	Neighborhood	No	No	No	No
Acreage Totals:	425.7					

In addition to the ~~44~~30 ~~general~~ general-use parks and open space resources summarized above, Oceanside also offers specialty sports parks dedicated to golf, skateboarding, and biking. Oceanside's two municipal golf courses – Oceanside (1972) and Goat Hill (1952) – are both 18-holes and collectively add another 219.5 acres of publicly accessible park/recreation acres – albeit through user fees. Oceanside's lone dedicated skatepark – ~~Alex Road~~Prince Memorial – was opened in 2013 and is approximately 0.5 acres in size. Oceanside also operates five other skateboard facilities – Landes, Libby, Lake, MLK, and Melba Bishop – that have been added to existing park sites between 2003 and 2008. Oceanside's San Luis Rey River Trail separately provides bicyclists 18 miles (round-trip) of paved trails along the San Luis Rey River and is free of any stop signs or signals.

With respect to actual service demands, and as reflected in Table A – 6.4e, the average annual rentals for Oceanside's baseball/softball fields (diamonds) – which historically generate the most rentals among the City's parks and open space class – during the five-year report period has been 36. This amount generates a per capita ratio of 0.21 rentals for every 1,000 residents. The average annual diamond rental total adjusts upward to 49 – or 0.29 rentals for every 1,000 residents – less pandemic-associated closures in FY2020 and FY2021. Overall, diamond rentals for Oceanside have decreased during the report period by two-fifths from 58 in FY2018 to 34 in FY2022. Conversely, rental demands for both multi-use fields (soccer, etc.) and tennis courts have increased during the report period with the former becoming the largest rental source within Oceanside's parks and open-space class during the final year in FY2022.

City of Oceanside:
Parks + Recreation Function: Parks + Open Space Class Demands
Table A – 6.4e | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Diamond Field Rentals	58	56	27	6	34	36.2	(41.4%)
Multi-Use Field Rentals	38	49	28	6	45	33.2	18.4%
Tennis – Pickleball Court Rentals	9	12	18	2	19	12.0	111.1%
Roller Hockey Rink Rentals	25	16	4	1	15	12.2	(40.0%)

Oceanside notes that decreases in rentals do not necessarily mean decreases in actual uses given a single rental can cover one field's usage for the entire day (e.g., youth leagues, etc.). Nonetheless, and assuming this potentiality has existed throughout the reporting period, LAFCO believes rental volume remains a constructive measurement in quantifying demand.

Community Recreation Class:

Oceanside's community recreation class activities began in the late 1910s with the original construction of the Oceanside Pier Amphitheater to accommodate civic and performance arts ranging from outdoor ceremonies to local theatre and movies. Oceanside expanded the class activities beginning in the 1950s to include the first of four community centers with the opening of the City's first multi-use gymnasium – now the Junior Seau Community Center – next to the Pier Amphitheater. Oceanside's other three community centers – Landes, Balderrama, and Melba – subsequently opened between 1963 and 1974 with the latter providing the City's second multi-use gymnasium. Oceanside also established the first of two senior-oriented facilities in the early 1990s with the opening of the Country Club Senior Center. A second senior center – El Corazon – opened in 2009. Residents 65 years of age or older can receive transportation to and from the senior centers through the *Go Oceanside* program. A full listing of community recreation class facilities follows in Table A – 6.4f.

City of Oceanside
Parks and Recreation Function: Community Recreation Class
Table A – 6.4f | Source: City of Oceanside

Site	Type	Acres	Primary Use	Restrooms	Built
Pier Amphitheater	Performance Arts	1.0	Amphitheater	Yes	1910s
Junior Seau Center	Community Center	1.0	Gymnasium	Yes	1950s
Landes *	Community Center	10.9	After School Program	Yes	1960s
Balderrama *	Community Center	3.9	Community Auditorium	Yes	1970s
Melba *	Community Center	17.6	Gymnasium	Yes	1970s
Country Club	Senior Center	3.0	Daily Lunch	Yes	1990s
El Corazon *	Senior Center	78.0	Wellness	Yes	2009

* Acre amounts include adjacent parklands

Specific demands associated with the community recreation class have not been developed at the time of the draft report's publication.

Performance Measurements

The City of Oceanside's park and recreation function and its three service classes continue to evolve and expand – albeit not necessarily uniformly – in line with community needs. The aquatics and parks and open space classes experienced substantive capacity expansions during the five-year report period via the completion of two planned capital improvements further cementing the El Corazon complex in mid-city Oceanside as a local and regional recreational hub. The William Wagner Aquatics Center opened in 2021 after a three-year construction effort and effectively two-folded Oceanside's previous aquatic class capacity by doubling the number of public swimming pools and lanes available to the community. The community responded affirmatively with swim class offerings and swim class participants increasing during the reporting period by 70 and 96%, respectively. Separately, the first of several planned phases of the El Corazon Community Park came online in 2022. It involves 78.0 acres and singularly has expanded Oceanside's previous park and open space class capacity by ~~15~~18%. No capacity expansions involving the third and final class – community recreation – were added during the reporting period although existing programs at the two senior centers continue to adjust resources with needs. Examples include starting and expanding a senior nutrition program as well as establishing senior art ("zine") classes through the General Fund ~~awarded grant monies~~ during the reporting period.

With regards to other material performance measurements:

- Oceanside's ~~413~~425.7.6 acres of parkland acreage at the end of the reporting period translates to 2.4 acres for every 1,000 residents. This ratio is more than one-fifth – or the equivalent of 110.3 acres – below the minimum municipality standard of 3.0 acres of parkland for every 1,000 residents in State law (Quimby Act).

- The Oceanside General Plan establishes a policy directing the City to "strive" to achieve 5.0 acres of parkland acreage for every 1,000 residents (Community Facilities Element, Parks and Recreation Policy No. 1.3). Oceanside's parkland acreage of ~~413.6~~ 425.7at the end of the reporting period falls more than one-half – or the equivalent of ~~459~~447.5~~ 4~~ acres – below the City's adopted policy goal.

- Oceanside maintains memorandums of understanding with local schools (public and private) to make available to the public an additional 115 acres of parkland acreage via nearly two dozen sites in the City. These agreements – pertinently – bridge the existing gap under the Quimby Act and raise Oceanside's parkland ratio to 3.0 acres for every 1,000 residents. These agreements separately close the gap by one-fifth under the Oceanside General Plan from ~~459.5~~447.5 to ~~344.5~~332.4 acres.

6.5 Community Development

The City of Oceanside's community development service function is most closely tied to implementing the City General Plan and blueprint role therein to concurrently shape the physical footprint as well as quality of life within the jurisdictional boundary. This function spans two Oceanside departments – Development Services and Housing and Neighborhood – and is collectively divided by LAFCO into five distinct classes: planning; building; code enforcement; engineering; and housing assistance. A description of the community development service function's capacities, demands, and performances within these five classes follows.

Community Development Accounts for 10% of Oceanside's Total Staffing…
Oceanside's community development function is divided into five broad classes for purposes of this report: (a) planning; (b) building; (c) code enforcement; (d) engineering; and (e) housing assistance. Budgeted staffing at the end of the report period covering all five classes equals 98.5 fulltime equivalent positions.

Resources, Current Capacities, + Demands

Oceanside's community development function and its five distinct class activities draw on multiple funding sources to offset demands on the City General Fund. Four of the classes – planning, building, code enforcement, and engineering – operate within the Development Services Department and are primarily funded by a combination of service charges, license and permit fees, fines and penalties, and intergovernmental monies. These revenue sources have funded nearly three-fourths of actual expenses within these four classes over the five-year report period with the remainder covered by the City General Fund. These four classes overall account for 4.8% of all City General Fund monies expended by Oceanside over the preceding 60-month period. Separately, close to four-fifths of funding for the fifth class involving housing assistance is covered by federal community development block grants monies with the remainder supported by the City General Fund; an amount equaling 2.8% of all City General Fund expenses during the 60 months. (See Table A – 6.5a.)

Resource Equivalency on the Oceanside General Fund is $70 Per Capita…
Oceanside's community development service function and its five classes collectively account for 8.0% of City General Fund expenditures during the five-year report period. The total per capita General Fund expense for community development function at the end of the report period totals $70.

City of Oceanside
Community Development Function
Five Year Report Period: FY18 to FY22
Table A – 6.5a | Source: City of Oceanside + SD LAFCO

Categories	Planning, Building, Code Enforcement + Engineering	Housing Assistance
Actual Total Expenses		
… Average Annual	$31.628 million	$31.555 million
… Overall Trend	(3.5%)	21.8%
Actual General Fund Expenses		
… Average Annual	$8.825 million	$5.057 million
… Overall Trend	39.1%	(76.0%)
Average Actuals Covered by General Fund	27.9%	16.1%
Average Annual Portion of General Fund	4.8%	2.8%
Per Capita - General Fund Expenses in FY22	$61.61	$8.80

Specific capacities and resources available within each of the community development function's five classes follow along with summaries of recent demands.

Planning Class:

Oceanside's planning class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve preparing advanced planning documents, processing current development proposals, coordinating interagency reviews, and performing environmental analyses.[38] Notable deliverables associated with the planning class include processing development applications, preparing five-year updates to the housing element, and staffing the Planning Commission. Most development applications require approval at notice hearings either by the Planning Commission and/or the City Council. Budgeted staffing dedicated to planning class activities totaled 13.2 full-time equivalent employees at the end of the report period. This amount reflects an overall budgeted staffing change of 10.9% over the preceding 60-month period.

Submittals Outpacing Completions…
The annual number of application submittals during the reporting period has outpaced available resources in the planning class by three to one

Concerning actual service demands, and as reflected in Table A – 6.5b, the average annual number of planning applications received by Oceanside during the five-year report period has been 182.8. The overall change in the annual number of applications received during the 60 months has been (4.8%). The largest portion of application filing involves entitlements and represents more than two-thirds of the average annual total. The average annual number of planning applications acted on – irrespective of outcome – has been 64 during the reporting period; the collective result is a 3.0 to 1 ratio of submittals to completions (actions).

City of Oceanside:
Community Development Function: Planning Demands
Table A – 6.5b | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Planning Applications Received	188	210	163	174	179	182.8	(4.8%)
… General Plan Amendment	-	1	2	1	1	1.0	100.0%
… Zoning Change	1	2	2	-	3	1.6	200.0%
… Subdivision Map	5	6	5	6	7	5.8	40.0%
… Parcel Map	11	10	4	-	5	6.0	(54.5%)
… Other	108	124	93	106	105	107.2	(2.8%)
Approvals (action)	76	78	73	52	41	64.0	(46.1%)
Denials (action)	-	-	1	-	1	0.4	100.0%
Application to Action Ratio	2.47 to 1	2.69 to 1	2.20 to 1	3.35 to 1	4.26 to1	2.99 to 1	72.5%

[38] This includes interpreting and implementing the Oceanside General Plan, which was last comprehensively updated in 2002 and includes three optional elements: community facilities; hazardous waste management; and military reservation.

Building Class:

Oceanside's building class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve performing building plan reviews, processing permit applications, and conducting onsite inspections for residential and commercial buildings during all stages of construction, repair, and/or renovation.[39] Notable deliverables are headlined by issuing building permits (major, minor, and miscellaneous) to authorize applicants with the legal authority to complete construction work. Budgeted staffing dedicated to building class activities totals 19.13 full-time equivalent employees at the end of the reporting period. This amount reflects an overall budgeted staffing change of 1.6% over the preceding 60-month period.

Concerning actual service demands, and as reflected in Table A – 6.5c, the average annual number of building permits issued by Oceanside during the five-year report period has been 4,395. This amount reflects an overall increase during the preceding 60 months of 97.0%. The average annual number of building permits issued is further distinguished between minor and major with the former issued over the counter and the latter requiring inter-agency reviews. Minor permits commonly involve repairs, non-structural alterations, and electrical and account for 8.2% of the average annual issuances during the reporting period. Major permits commonly involve new construction, structural alterations, and demolitions and account for the remaining 85.6% of the average annual issuances.

Jump in Building Permit Volume...
Oceanside has experienced a significant increase in total building permit volume during the reporting period with issuances almost doubling from the equivalent of 9 per day in 2018 to 18 per day in 2022. The aggregate value of building permits has also increased by more than one-third from $328.6 million to $445.7 million in 2022.

City of Oceanside:
Community Development Function: Building Demands
Table A – 6.5c | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Building Permits Issued	3,307	3,204	3,591	5,360	6,514	4,395.2	97.0%
… Valuation *	$328.572	$236.368	$169.501	$296.045	$445.665	$295.230	35.6%
… Major Permits	315	434	314	358	372	358.6	18.1%
… Minor Permits	2,744	2,511	2,936	4,689	5,939	3,763.8	116.4%
… Miscellaneous Permits	248	259	341	313	203	272.8	(18.1%)

* Amount in Millions

[39] This includes interpreting Title 24 of the California Code of Regulations, which concurrently serves as the adopted code standards for Oceanside and covers all construction regulations – including building, housing, plumbing, and electrical.

Code Enforcement Class:

Oceanside's code enforcement class activities are organized as a stand-alone division under the Development Services Department. Principal activities involve addressing blight and nuisance issues affecting private property uses and structures as well as other quality-of-life matters within Oceanside – including vehicle abatement, noise pollution, and homeless encampment.[40] Notable deliverables are headlined by investigating citizen complaints and issuing violation notices and fines. Budgeted staffing dedicated for code enforcement class activities totals 15.1 full-time equivalent employees at the end of the reporting period.

Concerning actual service demands, and as shown in Table A – 6.5d, the average annual number of code enforcement cases opened by Oceanside during the five-year report period has been 5,425 – or 14.9 daily – with a spike occurring in 2020 at 6,410. Overall, the annual number of code enforcement cases opened has declined over the preceding 60 months by (11.1%). Conversely, the average annual number of code enforcement cases closed – irrespective of the year initiated – has been 5,360.[41] Oceanside finished the reporting period with a nearly matching average annual ratio of case openings to case closures at 1.01 to 1.0.

Keeping Up with Demands...
Oceanside finished the reporting period with a nearly matching average annual ratio of code enforcement case openings to case closures at 1.01 to 1.

City of Oceanside:
Community Development Function: Code Enforcement Demands
Table A - 6.5d | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Cases Opened	5,344	5,609	6,410	5,008	4,753	5,424.8	(11.1%)
Cases Closed	5,320	5,753	6,078	4,938	4,709	5,359.6	(11.5%)
Openings to Closures Ratio	1.00 to 1	0.97 to 1	1.06 to 1	1.01 to 1	1.01to 1	1.01 to 1	1.0%

Engineering Class:

Oceanside's ~~code enforcement~~engineering class activities are organized as a stand-alone division under the Development Services Department. Principal engineering activities involve inspecting public and private construction projects, administering civil engineering and land surveying contracts, and providing capital ~~project~~ design and construction services to other City divisions and departments. This relatedly includes engineering class staff interpreting and implementing Oceanside's Engineers' Design and Processing Manual, which was adopted in 1991 and outlines City

[40] This relatedly includes interpreting and implementing potential violations under the Zoning Ordinance.
[41] Additional information is needed to distinguish between cases closed through voluntary compliance versus enforcement.

guidelines and requirements ranging from subdivision maps to ~~utility~~ public improvements ~~design standards~~. Notable deliverables ~~are maked by~~involve processing and approving capital improvement, landscaping, ~~plans and~~ grading, and private improvement plans ~~permits~~. Budgeted staffing dedicated to engineering class activities totals 25.3 full-time equivalent employees at the end of the reporting period. This amount reflects an overall budgeted staffing change of 6.2% over the preceding 60-month period.

Annual Submittals are Outpacing Completions by Two-Fold...
The annual number of landscape plans and grading permits received by Oceanside during the reporting period have outpaced available resources in the engineering class by more than two-to-one (i.e., more than two new submittals are received for each filing completed).

Concerning actual service demands, and as shown below in Table A – 6.5e, the average annual number of landscaping plans received by Oceanside for processing during the five-year report period has been 28.8 – or close to one every two weeks. The overall change in the annual number of submitted plans over the preceding 60 months has been 105.0%. The average annual number of landscape plan actions (approvals or denials) by Oceanside – irrespective of the year initiated – has been 14.2 – or close to one every four weeks. Separately, the average annual number of grading permits received by Oceanside has been 42 – or nearly one every week - with an overall trend of 15.8%. The average annual number of actions taken on grading permits – irrespective of the year initiated – has been 25, which is close to one every two weeks. Oceanside finished the reporting period with more than a double average in the annual ratio of the number of new submittals versus actions for landscape plans and grading permits at 2.2 to 1 and 2.3 to 1, respectively.

City of Oceanside:
Community Development Function: Engineering Demands
Table A – 6.5e | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Landscape Plans Received	20	20	30	33	41	28.8	105.0%
… Actions: Approvals or Denials	16	13	13	19	10	14.2	(37.5%)
Grading Permit Applications Received	38	37	54	37	44	42.0	15.8%
… Actions: Approvals or Denials	31	25	39	22	8	25.0	(74.2%)
Ratio of Filings to Actions							
… Landscape Plans	1.25 to 1	1.53 to 1	2.31 to 1	1.74 to 1	4.1 to 1	2.19	228.0%
… Grading Permits	1.23 to 1	1.48 to 1	1.39 to 1	1.68 to 1	5.5 to 1	2.27	347.2%
… Total	**1.23 to 1**	**1.50 to 1**	**1.62 to 1**	**1.71 to 1**	**4.7 to 1**	**2.15**	**282.1%**

Housing Assistance Class:

Oceanside's housing assistance class activities are organized as a stand-alone division under the Housing and Neighborhood Services Department. Principal activities involve administering rental assistance programs, coordinating homeless services with local non-profit providers, and overseeing a mobile home rent control ordinance.[42] Notable deliverables include processing rental assistance applications and issuing "Section 8" housing vouchers. (Related measurables include performing initial and annual housing inspections.) Budgeted staffing dedicated to housing assistance class activities totals 19 full-time equivalent employees at the end of the reporting period.[43] This amount reflects an overall budgeted staffing change of 5.5%.

High Demand for Housing Assistance Leading to Long Wait Times…
Oceanside's Section 8 housing voucher program finished the reporting period with 1,341 participants - an amount leaving more than 4,800 on a waiting list. The current wait time for most to transition from the waitlist to participant is nearly 10 years.

Concerning actual service demands, and as shown below in Table A – 6.5f, the average annual number of rental assistance voucher (Section 8) participants administered by Oceanside during the five-year report period has been 1,396. The overall change in the annual number of voucher participants over the preceding 60 months has been (3.5%). A rolling waiting list is maintained by Oceanside with the current number of listees totaling 4,861 – which is more than three times greater than the number of actual participants. The corresponding average monthly rental subsidy cost has increased during the 60 months from $1,010 to $1,264, which reflects an overall change of 25.1% and above the corresponding change in inflation over the same period.[44] The overall average subsidy separately equals 60.5% of the corresponding median rent in Oceanside during the reporting period.

City of Oceanside:
Community Development Function: Housing Assistance Demands
Table A 6.5f | Source: City of Oceanside, ACS, + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Section 8 Participants	1,390	1,398	1,414	1,435	1,341	1,396	(3.5%)
Monthly Average Subsidy	1,010	1,073	1,155	1,211	1,264	$1,143	25.1%
… Median Monthly Rental	1,815	1,815	1,803	1,934	2,065	$1,886	13.8%
… Subsidy as Percent of Median Rent	55.6	59.11	64.1	62.6	61.2	60.5%	10.1%
Section 8 Waiting List	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[42] Oceanside's Mobile Home Rent Control Ordinance was implemented in 1985 and limits annual rent increases to the lesser of 8% or 75% of the annual consumer price index. At the end of the reporting period, there are 17 mobile home parks in Oceanside subject to the ordinance with a combined total of 2,018 spaces.
[43] Oceanside has dedicated housing assistance staff including several staff offering some hours of assistance to the program.
[44] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

Performance Measurements

An increasing emphasis on assessing community development performance pertinent to LAFCOs' legislative interest is the ability of land use authorities (i.e., counties and cities) to sync housing opportunities with household incomes. This emphasis is reflected in the State of California requiring all counties and cities to sufficiently plan to meet the housing needs of everyone in their respective communities as stand-alone elements of general plans. Towards this end, these agencies' housing elements must identify adequate sites zoned and available within an eight-year housing cycle to meet their regional housing needs assessment (RHNA) at all prescribed income levels (very low, low, moderate, and above moderate relative to area median income or AMI). Additional statewide considerations follow.

Big Picture Focus on Housing…
Providing housing is a central legislative consideration prescribed to LAFCO in its task to facilitate all communities' social and economic welfare through orderly growth and development. Oceanside's ability to accommodate housing at all levels through the State's RHNA, accordingly, process serves as a key and cascading performance measurement in assessing the community development function and related classes.

- All housing elements must be internally consistent with the general plans and approved by the State's Department of Housing and Community Development or "HCD." Recent legislation tasks local agencies to submit annual reports to HCD on housing elements implementation beginning April 2018.

- Immediate repercussions for not receiving HCD approval include limitations on State funding programs as well as increased exposure to lawsuits and the potential therein for court orders that reduce and/or suspend local control over building and development activities.

Oceanside's Housing Element for the most recently completed RHNA cycle (April 2013 to April 2021) was certified by HCD in October 2013 and covers the first three and half years of the five-year reporting period. This fifth cycle assigned Oceanside an overall RHNA sum of 6,210 units with three-fifths – or 61.5% – categorized as very low-, low-, and moderate-income levels. At the end of the fifth cycle, Oceanside self-reported overall attainment of 40.6% of its RHNA assignment as

Mixed Results in Fifth Cycle…
Oceanside's housing element for the most recently completed fifth cycle (2013-2021) earned certification by HCD and in doing so outlined an otherwise reasonable path to accommodating its RHNA allocation of 6,210 new housing units via the City's Zoning Ordinance. Actual building – however - fell short with only 41% of the RHNA units being permitted by the end of the cycle.

measured by issuing building permits for 2,520 new housing units. Two-thirds – or 65.4% – of all Oceanside building permits during the fifth cycle are tied to accommodating above-moderate income housing with the balance spread among the three other income categories (i.e., very low, low, and moderate).

As shown in Tables A-6.5g and A-6.5h, Oceanside's overall attainment levels fall short of the overall average generated among all land use jurisdictions in San Diego County, which collectively met 58.5% of RHNA assignments as measured by building permit issuances – albeit with 88.5% accommodating above-moderate income housing. However, and specific to the most critical need categories, Oceanside's attainment rate for addressing very low and low housing units finished at 19.5% and above the 19.2% rate among all land use authorities in San Diego County.

Regional Comparison Amplifies Mixed Results in Fifth Cycle…
Oceanside's overall RHNA attainment of 41% for the fifth cycle falls below the combined attainment of 59% for all land use authorities in San Diego County. However, and specific to the most critical categories, Oceanside's very low and low attainment rate is 20% and above the combined 19% rate for San Diego County.

City of Oceanside:
Community Development Function: RHNA Results
Fifth Cycle: April 2013 to April 2021
Table A – 6.5g | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	1,549	1,178	1,090	2,393	6,210
New Building Permitted	336	197	338	1,649	2,520
Ending Attainment	21.7%	16.7%	31.0%	68.9%	40.6%

San Diego County:
Community Development Function: Most Recent RHNA Results
Fifth Cycle: April 2013 to April 2021
Table A – 6.5h | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	36,450	27,700	30,610	67,220	161,980
New Building Permitted	5,305	7,012	3,920	78,528	88,765
Ending Attainment	14.6%	25.3%	12.8%	116.8%	58.5%

* San Diego County AMI in 2021: $95,100
- Very Low: 50% or less of AMI ($47,550 or lower)
- Low: 50% to 80% of AMI ($47,550 to $76,080)
- Moderate: 80% to 120% of AMI ($76,080 to $114,120)
- Above Moderate: 120% or more of AMI ($114,120 or more)

Oceanside's Housing Element for the current RHNA cycle (April 2021 to April 2029) was certified by HCD in November 2023 and captures the final year and a half covering the reporting period. This sixth cycle assigns Oceansic e an overall RHNA sum of 5,443 units with three-fourths – or 74.1% – categorized as very low-, low-, and moderate-income levels. This latter grouping represents a 20.5% increase over the prior cycle.

With respect to progress with one-fourth of the sixth cycle complete, Oceanside self-reports an overall attainment of 20.7% of its RHNA assignment as measured by issuing building permits for 1,124 new housing units. Close to four-fifths – or 77.7% – of all Oceanside building permits issued during the sixth cycle at the close of the reporting period tie to accommodating above-moderate income housing with the balance spread among the three other income categories (i.e., very low, low, and moderate). Should the current progress hold over the balance of the cycle, Oceanside will accommodate 82.6% of its overall RHNA assignment – or 4,496 new housing units. However, this progression is top-heavy with excess attainment in meeting above-moderate needs while very low and low needs fall significantly short. The table below summarizes Oceanside and San Diego County's RHNA assignments and implementation for the current cycle ending in April 2029.

Mixed Results Continue Going Forward in Sixth Cycle…
Progress through the end of the reporting period suggests Oceanside is on pace to finish the sixth cycle with permitting 83% of its RHNA allocation of 5,443 units. The projection, however, is top heavy with a surplus of above-moderate units being permitted while permitting only 3% of Oceanside's very low and low unit assignments.

City of Oceanside:
Community Development Function: Current RHNA Cycle
Sixth Cycle: April 2021 to April 2029
Table A – 6.5i | Source: HCD + SDLAFCO

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA Assignment	1,268	718	883	2,574	5,443
New Building Permitted	23	33	209	859	1,124
Current Attainment (1/4th of Cycle)	**1.8%**	**4.6%**	**23.7%**	**33.4%**	**20.7%**
Projected Attainment at Cycle End	7.2%	18.4%	94.8%	133.6%	82.8%

7.0 FINANCES

7.1 Budget and Actuals

With respect to expenses, the City of Oceanside's total adopted annual budgets covering all of its municipal activities and planned costs have averaged $488.235 million during the five-year report period. The most recent budget amount falls 11.9% above the five-year average tally at $546.794 million with the largest apportionment covering day-to-day expenses via the General Fund at $188.184 million. Most of the remaining total budgeted expenses are apportioned among the Enterprise (water, wastewater, etc.) and Special Funds (transportation, community block grants, etc.) as detailed in Table A – 7.1a.

Budgeting Oceanside Costs…
Oceanside's total adopted budget at the end of the five-year report period covering costs is $546.7 million with the single largest apportionment dedicated to the General Fund. Overall, Oceanside's total budgeted costs – i.e., the expected expense to run all City activities – have increased by 41% over the reporting period.

City of Oceanside
Total Budgeted Expenses
Table A – 7.1a | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	145.238	151.741	172.861	170.156	188.184	165.636	29.57
Special	41.736	40.314	46.445	50.429	62.638	48.312	50.08
Debt Service	12.438	12.630	12.393	7.989	8.174	10.725	(34.28)
Capital Project	4.698	5.275	19.666	19.343	21.130	14.022	349.77
Enterprise	121.528	121.997	252.540	205.690	185.115	177.374	52.32
Internal Services	61.908	65.865	71.836	76.318	78.171	70.820	26.27
Other	0.0	0.0	0.0	3.346	3.383	1.346	n/a
* Total	$387.546	$397.822	$575.740	$533.271	$546.794	$488.235	41.09%

* Amounts in millions

Oceanside's overall actual expenses during the five-year report period have averaged $492.886 million and slightly above – specifically ~~3.5~~1.0% – budgeted expectations. The most recent actual amount expended by Oceanside is 16.2% above the five-year average tally at $570.791 million with the largest expense covering day-to-day operations in the General Fund at $205.827 million. The overall average per capita expense during the report period is $2,850 with starting and ending amounts of $2,542 and $3,268; an increase of 28.6%.

Oceanside's Actual Costs…
Oceanside's total actual costs incurred at the end of the five-year report period is $~~570.8~~492.9 million with an overall period variance rate relative to budgeted amounts of ~~31.~~1.0%. The average total actual per capita cost over the 60-month period is $2,850.

A breakdown of all actual expenses booked by Oceanside during the reporting period follows in Table A - 7.1b.

City of Oceanside
Total Actual Expenses
Table A – 7.1b | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	162.309	156.028	183.681	168.133	205.827	175.196	26.8
Special	45.953	50.127	43.180	55.173	68.480	52.583	49.0
Debt Service	9.203	9.339	9.765	12.2313	12.266	10.561	33.3
Capital Project	9.140	12.038	17.204	33.1133	14.009	17.101	53.3
Enterprise	133.235	139.075	176.898	175.3223	189.505	162.807	42.2
Internal Services	60.696	66.789	68.752	69.121	80.703	69.212	33.0
Other	14.984	6.752	4.619	0.775	0.0	5.426	n/a
*** Total**	**$435.521**	**$440.148**	**$504.100**	**$513.868**	**$570.791**	**$492.886**	**31.1%**
Expenses Per Capita:	$2,542	$2,557	$2,915	$2,957	$3,269	$2,850	28.6%

* Amounts in millions

With respect to revenues, Oceanside's total adopted annual budgets covering all of its municipal activities and expected incomes have averaged $479.651 million during the five-year report period. The most recent budget amount lies 14.2% above the five-year average tally at $547.903 million. All-purpose revenues via the General Fund represent one-third of the total budgeted amount with 39.8% therein expected from property taxes. All budgeted revenues are detailed in Table A – 7.1c.

Budgeting Oceanside Revenues…
Oceanside's total adopted budget at the end of the five-year report period covering all revenues is $547.9 million with one-third sourced to all-purpose income via the General Fund. Overall, Oceanside's total budgeted revenues – i.e., the expected income to support all City activities – have increased by 25% over the report period.

City of Oceanside
Total Budgeted Revenues
Table A – 7.1c | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	145.990	152.856	173.480	170.848	187.396	166.114	28.36
Special	59.820	46.144	46.038	53.981	66.643	54.525	11.41
Debt Service	12.806	12.723	12.476	7.378	7.538	10.584	(41.14)
Capital Project	6.490	8.549	21.544	14.234	23.501	14.864	262.11
Enterprise	148.315	155.727	161.164	161.861	179.387	161.291	20.95
Internal Services	64.103	65.487	71.054	73.261	79.383	70.658	23.84
Other	0.0	0.0	0.0	4.021	4.055	1.615	n/a
*** Total**	**$437.522**	**$441.487**	**$485.756**	**$485.585**	**$547.903**	**$479.651**	**25.23%**

* Amounts in millions

Oceanside's overall actual revenues during the five-year report period have averaged $530.519 million and measurably above – and specifically by 10.4% – budgeted expectations. The most recent actual amount of revenue collected by Oceanside is 17.0% above the five-year average tally at $620.623 million with the largest income source tied to the General Fund at $213.628 million. The overall average per capita expense during the report period is $3,067 with starting and ending amounts of $2,626 and $3,554; an increase of 35.4%.

Oceanside's Actual Revenues...
Oceanside's total actual revenues collected at the end of the five-year report period is $620.6 million with an overall period variance rate relative to budgeted amounts of ~~38.0~~10.6%. The average total actual per capita cost over the 60-month period is $3,067.

A breakdown of all actual revenues collected follows in Table A – 7.1d.

City of Oceanside
Total Actual Revenues
Table 7.1d | Source: City of Oceanside + SDLAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
General	154.769	165.906	186.139	192.069	213.628	182.502	38.0
Special	44.774	52.722	45.576	53.699	73.905	54.136	65.1
Debt Service	9.278	9.462	9.064	7.395	11.818	9.403	27.4
Capital Project	14.704	12.301	47.867	17.136	26.202	23.642	78.2
Enterprise	161.524	166.826	194.648	199.941	210.983	186.784	30.6
Internal Services	61.099	67.213	70.255	71.904	80.163	70.127	31.2.
Other	3.682	3.285	4.916	3.809	3.924	3.926	6.6
*** Total**	**$449.830**	**$477.715**	**$558.475**	**$545.953**	**$620.623**	**$530.519**	**38.0**
Revenues Per Capita:	$2,626	$2,775	$3,228	$3,142	$3,554	$3,067	35.4%

* Amounts in millions

7.2 General Fund Activities

A closer review of the City of Oceanside's General Fund and its role to transact most public-facing municipal services shows actual annual expenses over the five-year report period are rising with an overall increase of 26.8%. The average annual actual expense has been $175.196 million with the final year amount tallying $205.827 million, which is 17.5% above the period mean and underlies the upward trajectory in costs. In terms of uses, more than one-half of all actual General Fund expenses during the reporting period ties to funding public safety with fire and police collectively accounting for 51.8% of all outlays. The overall annual

Sizing General Fund Costs...
Actual annual General Fund expenses are increasing and marked by the annual per capita share rising by 25% from $947 to $1,179 over the five-year report period year.

actual General Fund expense on a per capita basis has separately increased during the report period from $947 to $1,179 – a change of 24.5%.

Sizing General Fund Revenues...
Actual annual General Fund revenues are increasing and marked by the annual per capita share rising by 32% from $903 to $1,223 over the five-year report period year.

Actual annual revenues within the Oceanside General Fund are also increasing during the report period, and materially at a rate two-fifths higher than the corresponding rise in expenses. The average annual actual revenue has been $182.502 million with the final year amount tallying $213.628 million, which is 14.5% above the period mean and substantiates the upward trajectory in income. A key factor underlying this dynamic involves the implementation of Measure X's ½ cent sales tax beginning in earnest in 2019-2020. This sales tax has directly contributed to an 8.0% expansion in General Fund revenues over the last three years of the reporting period with an aggregate value of $15.941 million. Aside from the more recent enhancement tied to Measure X, property tax monies remain by far Oceanside's most valuable revenue source and has accounted for $0.38 for every $1.00 in General Fund income received during the reporting period. Overall annual actual General Fund expense on a per capita basis has separately increased from $903 to $1,223 – a change of 35.4%.

A summary of actual General Fund expenses and revenues during the reporting period follows in Table A – 7.2a.

City of Oceanside
Actual General Fund Expenses and Revenues
Table A – 7.2a | Source: City of Oceanside + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Expenses	$162.309	$156.028	$183.681	$168.133	$205.827	$175.196	26.8%
Revenues	$154.769	$165.906	$186.139	$192.069	$213.628	$182.500	38.0%
… Property Tax	…61.606	…64.970	…68.425	…72.749	…76.746	…68.899	…24.6
… Sales/Use Tax	…22.672	…24.155	…23.815	…27.016	…30.755	…25.683	…35.7
… Hotel Tax (TOT)	…7.944	…8.510	…7.360	…9.282	…14.842	…9.587	…86.8
… Measure X	…0.0	…2.737	…13.236	…16.360	…18.230	…10.113	…n/a
… Other	…62.613	…65.534	…73.303	…66.662	…73.055	…68.218	…16.7
Per Capita Expense:	$947	$906	$1,062	$967	$1,179	$1,012	24.5%
Per Capita Revenue:	$903	$964	$1,076	$1,105	$1,223	$1,054	35.4%

* Amounts in millions

With respect to available reserves, Oceanside's General Fund at the end of the reporting period totals $112.552 million in spendable monies. This final year amount is more than one-fourth above the five-year average tally of $88.370 million and ~~tracts~~ tracks with the overall increase in the fund balance of 69.2%. The unrestricted portion of the balance available to use for any purposes tallies $96.821 million and is equivalent to covering 5.6 months of operating expenses. Oceanside Policy No. 200-08 specifies the City maintains a minimum amount of unrestricted reserves ~~as committed monies~~ equal to 12% of its adopted General Fund operating expenditures. Oceanside achieved this policy threshold in ~~four of the~~all five years spanning the reporting period ~~with the notable exception of 2019-2020~~. A breakdown of the General Fund spendable balance follows in Table A – 7.2b.

Covering Unanticipated Events…
Oceanside's spendable unrestricted reserves within its General Fund totals $96.8 million at the end of the five-year report period and equal to five plus months of operating expenses Oceanside separately maintained its reserve policy of maintaining unrestricted reserves equal to no less than 12% of General Fund operating expenditures~~ as committed monies in all years except in 2019-2020.~~ .

City of Oceanside
General Fund: Spendable Fund Balance
Table A – 7.2b | Source: City of Oceanside + SDLAFCO

Designation	2018	2019	2020	2021	2022	Average	Trend
Restricted	9.994	10.538	11.148	18.614	15.731	13.202	57.4
Committed	22.304	20.414	20.425	21.917	23.815	21.775	6.8
Assigned	33.134	44.580	49.143	47.732	55.894	46.097	68.7
Unassigned	1.107	1.547	0.222	16.477	17.112	7.293	1445.5
*** Total**	**$66.539**	**$77.079**	**$80.939**	**$104.740**	**$112.552**	**$88.370**	**69.2%**
*** Unrestricted**	**$56.545**	**$66.541**	**$69.790**	**$86.126**	**$96.821**	**$75.165**	**71.2%**

* Amounts in millions

7.3 Financial Statements

The City of Oceanside contracts with an outside accounting firm to prepare an annual report to review of its financial statements under established governmental accounting standards. This includes auditing Oceanside's statements for verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Oceanside's short and long-term fiscal health based on an accrual accounting method, i.e., recording revenues and expenses ahead of actual payment. All outside audits prepared during the five-year report period have been performed by Lance, Soll & Lunghard, LLP (Sacramento).

Oceanside's most recent financial statements for the five-year report period were issued for 2021-2022. These statements show Oceanside experienced a sizeable improvement over the prior fiscal year as the overall net position covering all activities and related associations – including the Oceanside Small Craft Harbor District – increased by 24.9% from $909.6 million to $1.136 billion. Adjusting to pre GASB 68 and GASB 75 reporting standards and the listing of agencies' proportionate share of pension and other post-employment benefit liabilities, Oceanisde overall net position increases to $1.270 billion.[45] The accompanying letter to management did not identify any material weaknesses or related 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 (2021-2022)	
Assets	$1,642,567,965
Liabilities	$391,978,651
Deferred Outflow/Inflow	$551,366,436
Net Position	**$1,136,279,166**
Adjusted Net Position (less retiree obligations)	$1,270,702,825

Agency Assets

Oceanside's audited overall assets at the end of the report period totals $1.642 billion. This amount is 16.4% higher than the average ending amount of $1.411 billion documented during each of the five report years and underlies the upward and improving track during the period. Assets classified as current with the expectation they could be liquidated within a year tally $735.7 million – or 44.8% of the total – and largely tie to cash and investments. Assets classified as non-current and not readily liquid make up the remainder and total $906.9 million and predominately involve capital assets tied to property, infrastructure, and equipment. Further, two-thirds of all Oceanside's capital assets – and specifically $564.550 million – belong to its enterprise functions and largely tie therein to the water and wastewater systems. Overall, Oceanside's total audited assets have increased by $383.9 million – or 30.5% – over the corresponding 60-month period. Specific year-end asset totals for Oceanside are shown below in Table A – 7.3a.

> **Measuring Oceanside's Assets…**
> Oceanside's assets have increased by 31% during the five-year report period from $1.259 to $1.643 billion. This change tracks with a per capita measurement and its 29% increase from $7,300 to $9,407.

[45] The adjustment to the net position is calculated by LAFCO and not part of the audited financial statements.

City of Oceanside
Audited Assets
Table A – 7.3a | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current *	482.414	505.114	575.232	614.251	735.651	582.532	52.5%
Non-Current *	776.212	793.222	792.361	875.021	906.917	828.747	16.8%
**Total ** **	**1,258.626**	**1,298.336**	**1,367.592**	**1,489.272**	**1,642.568**	**1,411.279**	**30.5%**
Per Capita	$7,300	$7,498	$7,857	$8,547	$9,407	$8,125	28.9%

* Amounts in millions
** Amounts in billions

Agency Liabilities

Measuring Oceanside's Liabilities…
Oceanside's liabilities have decreased by (5%) during the five-year report period from $410.6 to $392.0 million. This change tracks with a per capita measurement and its (6%) decrease from $2,381 to $2,245.

Oceanside's overall audited liabilities at the end of report period totals $392.0 million. This amount is 6.4% lower than the average ending amount of $419.0 million documented during the five-year period and underlies the downward and improving track during the period – a trend attributed to recent actuarial reports lessening pension liability. Liabilities classified as current with the expectation they will become due within a year represent $100.2 million – or 25.6% of the total – and largely ties to accounts payable. Liabilities classified as non-current and considered long-term obligations make up the bulk and largely divided between debt financing (loans) retiree obligations. Long-term debts incurred during the report period are footnoted[46]. Overall, Oceanside's total audited liabilities have decreased by ($18.6 million) – or (4.5%) – over the corresponding 60-month period. Specific year-end liability totals are shown below in Table A – 7.3b.

City of Oceanside
Audited Liabilities
Table A-7.3b | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current *	35,514	55,755	64,282	89,635	100,157	69,069	182.0%
Non-Current *	375,053	323,978	357,288	401,448	291,822	349,917	(22.2%)
Total *	**410,567**	**379,7327**	**421,570**	**491,082**	**391,979**	**418,986**	**(4.5%)**
Per Capita	$2,381	$2,193	$2,422	$2,818	$2245	$2,412	(5.73%)

* Amounts in millions

[46] Oceanside's long-term debt incurred during the report period is attributed to the City's governmental and business-type activities bonds, which include the City's pension obligation refunding bonds, lease revenue bonds as well as their water revenue bonds. This includes the City's direct borrowing and placement bonds which are highlighted by the City's loans obtained for the San Luis Wastewater Treatment Plan Interim Expansion as well as the loan for the City's Pure Water and Upper/Lower Recycled Water Distribution System Project.

Net Position

Oceanside's overall audited net position at the end of the report period totals $1.136 billion and represents the difference between the City's total assets and total liabilities along with adjusting for deferred resources (i.e., pension outflows and inflows). The most recent year-end equity amount is 12.5% higher than the average year-end sum of $0.953 million during the five-year report period and quantifies the upward trajectory. Most of the net position – $766.9 million or 67.5% – ties to capital asset holdings. The remainder is divided between restricted and unrestricted monies with the latter further discussed in the proceeding paragraph. Overall, Oceanside's audited net position increased by $0.111 million – or 24.9% – over the corresponding 60-month period. Adjusting to exclude Oceanside's proportional share of net pension and other-post employment benefits – which are relatively new reporting standards for financial statements under GASB 68 and 75 – the net position increases by another 8.7% to $1.136 billion. Specific year-end net position totals for Oceanside are shown below in Table A – 7.3c.

Truing Up Oceanside's Assets and Liabilities…
Oceanside's audited net position covering all City funds has increased over the five-year report period by 25% from $909.6 million to $1.136 billion. This change tracks with a per capita measurement and its 23% increase from $5,275 to $6,507.

City of Oceanside
Audited Net Position
Table A – 7.3c | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Investments *	708.893	734.524	716.503	756.999	766.852	736,754	8.2%
Restricted *	144.649	169.120	282.658	131.248	123.025	170,140	(15.0%)
Unrestricted *	56.045	58.450	(3.937)	157.166	246.402	102,825	339.7%
**Total ** **	**0.910**	**0.962**	**0.995**	**1.045**	**1.136**	**1.010**	**24.9%**
Per Capita	$5,275	$5,556	$5,717	$5,999	$6,507	$5,813	23.5%
Total Adjusted **	0.910	1.196	1.245	1.302	1.271	1.235	9.6%

"Total Adjusted" excludes GASB 68 and 75 reporting requirements
* Amounts in millions
** Amounts in billions

With respect to the unrestricted portion of the net position, it tallies $246.4 million at the end of the report period represents the accrued spendable portion of the fund balance and is only subject to discretionary designations (commitments and assignments). The adjusted amount less pension and related retiree liabilities tallies $380.8 million and represents a more accurate accounting of available fund balance monies. This adjusted amount equals 12.0 months of Oceanside's total citywide operating expenses – less enterprise operations – based on year-end actuals.[47] This equivalent in unrestricted monies represents a one-month improvement compared to the ratio at the start of the reporting period.

Measuring Unrestricted Monies' Equivalency…
Oceanside's audited unrestricted fund balance less pension and related liabilities at the end of the report period is sufficient to cover one full year – 12.0 months – of total actual expenses.

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO's review of the audited financial statement issuances by the City of Oceanside covering the five-year report period shows the City experiencing mostly positive results and related trends within the four central fiscal measurement categories – liquidity, capital, margin, and asset management – utilized in this document. Summaries follow.

Liquidity (Short-Term Outlook)

Oceanside's average annual current ratio during the reporting period tallies 9-to-1 and shows the City having $9 in available cash resources (current assets) for every $1.00 in near-term accounts payable and related debts (current liabilities) over the 60 months. The final year ratio remains relatively robust at 7-to-1 but nonetheless reflects an overall period decline of (45.9%) that ties to a corresponding rise in booking unearned revenues. A separate liquidity measurement shows Oceanside's average annual days' cash ratio during the report period being 618 and sufficent to cover 88 weeks of baseline expenses. The final year amount tally of 691 underlies an overall period improvement of 21.3%. These two measurements collectively indicate healthy and otherwise strong cash flow as well as the ability to absorb unexpected costs and/or shortfalls in revenues over the short-term.

The Burn Rate…
Oceanside's days' cash ratio – or burn rate – at the end of the report period tallies 691 and can cover more than 98 weeks of baseline costs covering General and Enterprise Fund activities.

[47] Oceanside's total expenses in 2021-2022 is $345.7 million.

City of Oceanside
Measuring Liquidity
Table A – 7.4a | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current Ratio	13.6 to 1	9.1 to 1	8.9 to 1	6.9 to 1	7.3 to 1	9.2 to 1	(45.9%)
Days' Cash	570	568	593	669	691	618	21.3%

The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities agency-wide on a dollar-to-dollar basis. Higher is better.

The days' cash provides a more micro measurement of near-term financial health by comparing available cash and equivalents against the average daily operating expenses within the general fund and enterprise funds less depreciation.

Capital (Long-Term Outlook)

Oceanside's average annual debt-to-net position during the reporting period equals 35.0% and means slightly more than one-third of the City's overall monetary value or worth over the 60 months ties to long-term liabilities. The final year tally is 25.7% and underlies a lower and improving condition in which Oceanside is proportionally reducing its exposure to risks associated with holding long-term liabilities and the potential therein for changing conditions that increase costs (e.g., interest rates). A separate capital measurement shows Oceanside's average annual debt ratio over the reporting period has been 29.9%. This measurement lowered and improved to 23.9% at the end of the reporting period and means more than three-fourths of Oceanside's assets are free from debt financing. These two measurements collectively indicate Oceanside is well-positioned to maintain good cash flow into the near future given its existing low debt levels paired with the concurrent ability to use capital to assume new debt.

Future Cash Flow Considerations...
Oceanside's debt ratio at the end of the report period tallies 23.9% and means more than three-fourths of the City's assets are free from debt financing.

City of Oceanside
Measuring Capital
Table A – 7.4b | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Debt to Net Assets Ratio	41.2%	33.7%	35.9%	38.4%	25.7%	35.0%	(37.7%)
Debt Ratio	32.6%	29.2%	30.8%	33.0%	23.9%	29.9%	(26.8%)

The debt-to-net position ratio measures long-term financial health by quantifying existing debt load as a percentage of the total net position. Lower is better.

The debt ratio measures long-term financial health by quantifying the percentage of assets that are subject to debt financing and the variables associated therein. Lower is better.

Margin (Net Income)

The Bottom Line…
Oceanside's average annual total margin during the five-year report period has been 14% and benchmarked by low and high tallies of 9% and 21%, respectively, and considered exceptionally good.

Oceanside's average annual general fund operating margin during the report period tallies 2.2% with positive percentages generated in three of the five years reviewed. This measurement focuses on financial transactions within the General Fund and its day-to-day function in matching all-purpose revenues with all-purpose services and their expenses – like administration, public safety, and parks and recreation. The overall positive operating margin generated during the report period paired with an improving trend shows operational efficiencies within Oceanside's core functions. Expanding out, Oceanside's average annual total margin – which measures all City financial transactions – has been 14.2% with positive percentages generated in all five years reviewed. This measurement also improved during the period and shows the operational efficiencies in fiscal decision-making extend beyond the General Funds.

City of Oceanside
Measuring Margin
Table A – 7.4c | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
GF Operating Margin	(5.2%)	(1.1%)	2.4%	11.8%	3.3%	2.2%	163.3%
Total Margin	15.6%	13.8%	8.6%	12.1%	20.8%	14.2%	33.6%

The general fund operating margin measures an agency's profitability levels within its general fund and core function to deliver most public-facing municipal services. Higher is better.

The total margin measures an agency's profitability levels relative to matching all revenues and all expenses. Higher is better.

Asset Management

Infrastructure Usage…
Oceanside's accumulated depreciation ratio at the end of the report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by 39%.

Oceanside's average annual age of all capital assets during the reporting period totals 24.4. The fifth and final year totals 25.0 and underlies ongoing aging during the period of Oceanside's capital assets, which are categorized either as general government (public safety, public works, community development, etc.) or enterprise (water, wastewater, etc.). A separate measurement via the accumulated

depreciation ratio shows the general remaining usefulness of Oceanside's capital assets exceeds the expected lifespan with a period average ratio of 126.7%. The fifth and final year ratio totals 139.0% and signals cumulative and ongoing deferrals by Oceanside in purchasing and/or replacing capital assets.

City of Oceanside
Measuring Asset Management
Table A – 7.4d | Source: City of Oceanside ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Assets' Age (Accounting)	23.7	24.5	2401	24.6	25.0	24.4	5.5%
Accumulated Depreciation Ratio	120.3%	123.6%	123.3%	127.4%	139.0%	126.7%	15.6%

The accounting age of capital assets provides a macro index of the average age of core and depreciating facilities, equipment, buildings, and related infrastructure and their current replacement schedule. Lower is better.

The accumulated depreciation ratio provides a more contextual measurement of the general remaining usefulness of core and depreciating facilities, equipment, buildings, and related infrastructure relative to their expected lifespan. Lower is better.

7.5 Employee Pension Obligations

The City of Oceanside provides a defined pension benefit to its employees through investment risk-pool contracts with the California Public Employees Retirement System (CalPERS). These pension contracts provide employees with specified post employment benefits based on the date of hire and placement in one of two broad category types: miscellaneous and public safety. Additional pension details based on actuarial valuations for Oceanside issued by CalPERS as part of its annual reporting process during the five-year report period follows with respect to enrollees, formulas, contributions, and funded status.

Pension Enrollees and Funding Formulas

The annual valuations issued at the end of the five-year report period identifies 3,482 total participants in Oceanside's pension program with CalPERS. This total represents an overall increase of 367 new enrollees during the 60-month period and divided between miscellaneous and public safety employee categories. The total is also divided between enrollee status and produces an active-to-retiree employee ratio of 0.59 to 1.0. Additional details on pension enrollee

Pension Participants…
Oceanside finished the five-year report period with 3,482 total enrollees within its pension program with CalPERS. Three-fourths of all enrollees are either retired or separated/transferred and no longer contributing to the pension program.

information during the report period is provided in Table A – 7.5a.

City of Oceanside
Pension Enrollee Information
Table A – 7.5a | Source: CalPERS and SD LAFCO

Type	2018	2019	2020	2021	2022	Trend
Active	878	876	889	879	905	3.1%
Transferred or Separated	867	916	938	961	1,034	19.3%
Retired	1,370	1,414	1,466	1,507	1,543	12.6%
Total Enrollees	3,115	3,208	3,293	3,347	3,482	11.8%
Active to Retiree Ratio	0.64 to 1	0.62 to 1	0.61 to 1	0.58 to 1	0.59 to 1	(7.8%)

More than seven-tenths – or 71.3% – of all pension enrollees are categorized as miscellaneous and receive one of three defined pension payments based on their date of hire, which ranges in formula value from a high of 2.7% at 55 (prior to January 1, 2011) to a low of 2.0% at 62 (after January 1, 2013). Oceanside's remaining enrollees are categorized as public safety and receive one of two defined pension payments: 3.0% at 50 (prior to January 1, 2013) and 2.7% at 57 (after January 1, 2013).

Annual Contributions

Oceanside's total annual pension contribution covering both its miscellaneous and public safety plans at the end of the report period tallies $30.193 million. This contribution covers both miscellaneous and public safety categories and equals 37.3% of the covered payroll total for the corresponding fiscal year. The most recent contribution amount also reflects an overall increase in payments made by Oceanside to CalPERS of 31.7% over the preceding 48-month period in which information is readily available.

Real Time Pension Costs...
Oceanside's total employer pension contribution paid to CalPERS at the end of the five-year report period totals $30.2 million and equals 37% of payroll.

City of Oceanside
Employer Pension Contributions
Table A – 7.5b | Source: CalPERS + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Total Contribution *	n/a	22.533	23.980	20.906	30.193	24.403	34.0%
Annual Payroll *	n/a	73.686	75.661	77.006	80.926	76.820	9.8%
.. Percent of Payroll	n/a	30.6%	31.7%	27.1%	37.3%	31.7%	21.9%

* Amounts in millions

Funding Status

Oceanside's total and composite unfunded liability at the end of the report period tallies ($300.570 million). This amount covers both miscellaneous and public safety categories reflects the accrued pension monies owned to all employees and not covered by the market value of existing assets and translates to a composite funded ratio of 74.3%. Overall, Oceanside's funded ratio – i.e., the percentage of market assets compared to projected liabilities – has decreased by (0.7%) during the last four years of the report period based on available data published by CalPERs. The monetary value of the corresponding increase in Oceanside's pension liabilities is $44.845 million.

More Funding Needed...
Oceanside's total funded pension ratio at the end of the five-year report period is 74.3% and reflects an overall (0.7%) change over the preceding 48 months in which information is readily available from CalPERs.

City of Oceanside
Pension Funding Status
Table A – 7.5c | Source: CalPERS

Category	2018	2019	2020	2021	2022	Trend
Market Value of Assets *	n/a	757.724	783,473	948.646	869.976	14.8%
Pension Liabilities **	n/a	1,013.449	1,053.165	1,113.725	1,170,446	15.5%
Unfunded Liability	n/a	(255.725)	(269.693)	(165.079)	(300.570)	(17.5%)
… Funded Status		74.8%	74.4%	85.2%	74.3%	(0.7%)

* Amounts in millions
** Amounts in billions

7.6 Other Post-Employment Benefit Obligations

The City of Oceanside independently administers its own healthcare plan made available to eligible retirees as a other post-employment benefit (OPEB). Oceanside's OPEB plan provides healthcare insurance for all eligible retirees – less members belonging to the Oceanside Firefighters Association (OFA) – and their covered dependents through the City's group health insurance plans, which cover both active and retired employees. Non-OFA retirees under the age of 65 are eligible to join various plan options similar to active employees. Upon attaining age 65, Medicare-eligible non-OFA retirees must join one of three plan options and assign their Medicare benefits to the plan chosen. The ability to participate in Oceanside's group insurance health plans by self-paying the premium extends for a period equal to the number of years of service at retirement. Non-OFA retirees with at least 15 years of service may

continue to self-pay for this coverage as long as Oceanside continues to offer this benefit. Benefit provisions are established through negotiations between Oceanside and the non-OFA employee associations and are renegotiated periodically.

Additional OPEB plan details follow.[48]

- Eligible non-OFA retirees and their covered dependents receiving benefits contribute 100% of their premium costs. While Oceanside does not directly contribute toward the cost of premiums for non-OFA retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the non-OFA retirees, call an "implicit subsidy."

- Oceanside is currently funding its OPEB obligation on a pay-as-you-go basis, meaning only the cost associated with current retirees is paid for by the City. This also means Oceanside does not have OPEB assets.

- Oceanside's OPEB plan has 94 total retirees enrolled at the end of the five-year report period. This amount represents a net increase of 27 – or 40.3% – since 2018. Oceanside also finished the period with 850 active employees and/or their beneficiaries currently receiving healthcare benefits.

- Oceanside's pay-as-you go annual OPEB expense totals $1.063 million at the end of the five-year report period. This amount represents a net increase of $0.552 million – or 107.9% – since 2018.

- Oceanside's accrued liability for OPEB totals $9.706 million at the end of the five-year report period. This amount represents a net increase of $3.917 million – or 67.7% – since 2018.

[48] OPEB information is drawn from the City of Oceanside's Annual Comprehensive Financial Reports, Fiscal Years 2018-2022.

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B. OCEANSIDE SMALL CRAFT HARBOR DISTRICT

1.0 OVERVIEW

Oceanside Small Craft Harbor District (SCHD) is a dependent special district associated with the City of Oceanside. Formation proceedings were completed in January 1960 and done so to establish community access to additional public funding to construct and operate the planned development of the Oceanside Harbor. Materially, SCHD was created as an independent special district at the time of formation before transitioning in 1995 to dependent as part of a series of coordinated boundary changes approved by LAFCO. Accordingly, while focusing its activities within the 100-acre Oceanside Habor, SCHD's jurisdictional boundary matches Oceanside and spans 42.2 square miles and covers approximately 27,000 acres. Additionally, and like Oceanside, nearly three-fourths of SCHD's jurisdictional boundary is under private ownership with one-third of this amount – or 5,303 acres and divided into 3,701 parcels – remaining entirely undeveloped without any assessed structures or improvements.

Oceanside Harbor
View of North Basin



Photo Credit: Google Maps

Decision-making is governed by the Oceanside City Council with Councilmembers concurrently serving as the SCHD Board and holding regular joint meetings. The Board also utilizes Oceanside's nine-member Harbor and Beaches Advisory Committee to help inform decisions – including budget and capital improvements. Actual administrative services of SCHD are delegated to Oceanside's Harbor Division and its head – Harbor Manager Joseph Ravitch – within the Public Works Department. Budgeted staffing for the Habor Division has stayed relatively flat and finished with 17.4 full-time equivalent positions at the end of the reporting period.[1]

SCHD operates as a limited-purpose agency under the Small Craft Harbor District Act and is one of three such agencies currently operating under this principal act in

[1] An Oceanside Lifeguard Unit via the Fire Department now provides safety and patrol services to the Oceanside Harbor and ended the reporting period with a budget of 10.0 full-time positions.

California. SCHD presently provides two active municipal functions tied to the Oceanside Harbor: (a) marina and (b) dredging. The marina is the principal activity and includes several connected classes marked by providing a municipal wharf, fishing pier, harbor basins (docks and slips), and beach and camping. The dredging function is limited and involves sponsoring channel clearing and beach replenishment classes and is done in an advisory capacity via coordination with the U.S. Army Corps. A third function – patrol and rescue – is also authorized but has become recently inactive, although not through formal action by LAFCO.

Public-Facing Activities…
SCHD's core activities involve its marina function and operations of the Oceanside Harbor, which is 100 acres in size and headlined by accommodating 954 total boat slips at the end of the five-year report period.

With respect to financial standing, SCHD's actual yearly expense at the end of the five-year report period in 2022 tallies $8.750 million. This ending amount lies below the average annual period expense tally of $9.945 million and underlies the overall decrease trend of (39.0%). Nearly three-fourths of SCHD's actual annual expenses over the reporting period involve making two distinct payments to Oceanside covering staff support services and the lease of the Oceanside Harbor complex.[2] Actual yearly revenue collected at the end of the reporting period tallies $8.963 million with three-fifths generated from boat slip rentals. This most recent collection amount lies above the annual period average of $8.314 million and underlies the overall increase trend of 16.3%. The total unassigned cash balance on hand at the end of the reporting period totals $4.600 million and is equivalent to covering 6.3 months of recent actual operating expenses.[3]

Improving $ Relationship…
SCHD's actual annual expenses over the five-year report period have exceeded actual annual revenues by (one-fifth). Trends, however, are improving over the reporting period with actual expenses decreasing by (39.0%) and actual revenues increasing by 16.3%.

LAFCO independently estimates the full-time resident population within the coterminous SCHD/Oceanside's jurisdictional boundaries is 174,615 at the end of the five-year reporting period. This includes an estimated 151 live-aboard boat residents in the Harbor. The median household income among all SCHD/Oceanside residents is $97,238 based on the current five-year period average and above the countywide

151 Liveaboard Residents…
SCHD's resident population mirrors Oceanside's and totals 174,615 at the end of the five-year report period. Specific to the Oceanside Harbor, there are 86 live-abords slips with an estimated population of 151.

[2] The per capita expense has similarly changed during the reporting period from $83 to $50 or (39.7%).
[3] SCHD audited net position at the reporting period's end totals $14.931 million with the unrestricted portion at $4.850 million.

average of $88,240. Residents are currently spending 27.7% of their household income on rent or mortgage payments. LAFCO estimates the adjusted housing cost to also include utilities equals 32.7%. The average home value in SCHD/Oceanside has separately increased by 59.2% over the period from $522,082 to $831,328 The average home value has separately increased by 59.2% from $522,082 to $831,328.[4]

2.0 BACKGROUND

2.1 Community Development

Oceanside SCHD's jurisdictional boundary purposefully now parallels the City of Oceanside and a detailing of the shared community's present-day development is provided as part of the City profile. Notwithstanding this reference, the development of SCHD's core service area – Oceanside Harbor – dates back to the late 1940s with civic leaders proposing the creation of a man-made recreational harbor near the Beachlake Trailer Park at the shallow mouth of the San Luis Rey River. Mayor Erwin Sklar and the Chamber of Commerce served as leading proponents for the project with the latter producing marketing materials in support of developing a pleasure harbor to provide an attractive alternative to existing anchorages in Newport and San Diego.

Pre-Oceanside Habor (Beachlake Trailer Park)
Circa 1950s



Photo Credit: Visit Oceanside

Marketing for the creation of the Oceanside Harbor advanced into the 1950s with local leaders taking several trips to Washington D.C. to solicit lawmakers to support the project. These efforts proved successful with the Department of Defense eventually agreeing by the end of the decade to make available approximately 70 acres from Camp Pendleton on the north side of the San Luis Rey River mouth for the project once it was determined there would be no interference

Early Development of Oceanside Harbor
Circa 1960s



Photo Credit: Visit Oceanside

[4] The average home values in Oceanside during the five-year report period is based on Zillow analytics (www.zillow.com).

with the Marine Corps' own Del Mar Harbor. This created momentum for the project to secure another 30 acres on the south side of the San Luis Rey River mouth through a purchase agreement with Beachlake Trailer Park. At the same time, State legislation was added beginning in 1959 to allow cities and certain special districts to finance harbor improvements with revenue bond funds.

2.2 Formation Proceedings

Oceanside SCHD's formation was sponsored by the City of Oceanside with the explicit intention of providing a separate and dedicated means for the community to fund, organize, and operate a planned pleasure harbor without encumbering City resources. Formation proceedings were also focused on an Oceanside-only proposal after civic leaders declined an offer to join a separate regional effort underway at the same time to form the Carlana Habor District, which was expected to cover a 100-square mile area from Carlsbad to Solana Beach. (Voters proceeded to reject the formation of the Carlana Habor District in October 1960.) Oceanside voters approved SCHD's formation in January 1960 along with an approximate $4.5 million revenue bond to cover initial development.

2.3 Notable Post Formation Activities + Events

A summary of notable activities undertaken by Oceanside SCHD and/or affecting the District's jurisdictional boundary post-formation in 1960 are as follows.

1960s

SCHD holds its first meeting on February 11, 1960. Initial functions initiated by the Board with the adoption of its first budget include port, pier, and police.

SCHD receives a $1.8 million grant from the Department of Defense in March 1960 as its contribution to the Oceanside Harbor project. (Grant mitigates beach erosion impacts associated with Camp Pendelton's jetty operations at Del Mar Harbor.) A separate $1.0 million low-interest loan from the State is also awarded to SCHD at the same time.

Oceanside's first "Harbor Days" festival is held in September 1960. The annual festival starts at the Del Mar Harbor (Camp Pendelton) and transitions to the Oceanside Harbor following its completion and eventually becomes the City's largest event with attendance regularly reaching 50,000 to 80,000.

SCHD enters into a 50-year lease agreement with the City of Oceanside in November 1961 involving the Oceanside Harbor complex. The first six years of the lease involve SCHD making an annual payment of $1 with the remainder set to equal 10% of the net revenue of the District.

1960s

Construction on the Oceanside Harbor complex is completed and opens to the public in June 1963. Initial development cost is approximately $7.0 million and provides approximately 500 small craft slips.

Construction on a waterfront shopping center – initially cited as Lighthouse Village – along Oceanside Harbor commences in January 1964. The shopping center opens as the Harbor Village with an initial tenant anchor being the Harbor Light Restaurant.

The City of Oceanside completes construction on 1950 North Harbor Drive in 1965. The two-story building is leased to SCHD for subleasing, which has been occupied since construction by the Yacht Club.

1970s

The U.S. Coast Guard stations the 82-foot Point Hobart vessel at the Oceanside Harbor beginning in 1969 to patrol and perform search and rescue operations covering the coastline north to Dana Point. (The Coast Guard decommissions Point Hobart in July 1999 with its replacement stationed in Monterey.)

SCHD adopts the "Oceanside Small Craft Harbor Precise Plan" in July 1979 to guide short (to 1985) and long-term (post-1985) planning of the Harbor.

The City of Oceanside completes construction on 315 Harbor Drive South in 1981. The two-story building is leased to SCHD for subleasing, which presently is occupied by ~~Helgren Fishing Charters~~Sea Center.

1980s

SCHD adopts its "Blue Book" in 1983 to provide rules and regulations for Habor permittees and done so to curb illegal living aboard vessels and a rise in vessels in deteriorating condition. The most recent update to the Blue Book is approved in ~~2018~~2016.

San Diego LAFCO performs its first independent review of SCHD in conjunction with establishing a sphere of influence in January 1986. At the time of the action, LAFCO documents SCHD's core infrastructure consisting of

a docking system with 915 boat-slips, two police rescue vessels, nine restrooms, and 1700 public parking spaces.

SCHD purchases a two-story hotel – Villa Marina and later Oceanside Marina Suites –located on District land at Harbor Village in May 1994 for $1.1 million following the prior operator's filing for bankruptcy.

1990s

LAFCO approves a series of annexations to SCHD to add the remainder of incorporated territory to the District in 1995 and in doing so transitions to a dependent district with the Oceanside City Council assuming Board duties.

SCHD and the City of Oceanside agree to amend their lease agreement involving the Oceanside Harbor complex in May 2003. The amendment establishes a prescribed percentage of net revenue to be paid by SCHD less a minimum of $250,000 through 2069. The percentage after 2016 is 10%.

2000s

SCHD divests its patrol and rescue function with the Habor Patrol Unit merging into the City of Oceanside in July 2009.

2020s

Oceanside takes action in August 2022 to eliminate the Police Department's Harbor Unit and transition water patrols and rescue services to the Fire Department's ~~Lifeguard Unit~~Marine Safety Unit, which includes 24-hour coverage with one firefighter/paramedic and two lifeguards.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

Physical Footprint...
Oceanside SCHD's jurisdictional boundary matches the City of Oceanside and spans 42 square miles or 26,991 acres.

Oceanside SCHD's jurisdictional boundary is coterminous with the City of Oceanside and spans 42.2 square miles and covers 26,991 acres. Slightly more than one-half of the SCHD jurisdictional boundary is land-locked and either adjacent to the Pacific Ocean or the Cities of Carlsbad and Vista. The remainder of the SCHD perimeter lies adjacent to unincorporated lands with one-half of this amount next to the United States Marine Corps Camp Pendleton. This leaves one-quarter of SCHD's jurisdiction open to future expansion. The elevation ranges between (30) to 895 feet above sea level with the latter point recorded along Indian

Trail Way in the South Morro Hills neighborhood.

Key characteristics underlying the jurisdictional boundary follow in Table 3.1a with more details provided as part of the Oceanside profile.

Oceanside SCHD
Jurisdictional Boundary Characteristics
Table B - 3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	26,991 acres
Total Jurisdictional Parcels and Acreage	62,771 parcels totaling 23,048 acres
… Publicly Owned Parcels and Acreage	688 parcels totaling 7,487 acres
… Privately Owned Parcels and Acreage	62,083 parcels totaling 19,505 acres
… Undeveloped Privately-Owned Parcels and Acreage	3,741 parcels totaling 5,303 acres
Total Number of Registered Voters	102,066
Total Assessed Value (Land and Structures)	$27.5 billion

SCHD's jurisdictional boundary is shown on Map B-1.

3.2 Sphere of Influence

Oceanside SCHD's sphere of influence was established by San Diego LAFCO in January 1986 with subsequent updates performed in 2005, 2007, and 2013. The sphere is coterminous with the City of Oceanside's sphere and categorized as a larger-than-agency designation with all of the jurisdictional lands covered, plus certain non-jurisdictional territory. The non-jurisdictional territory within the sphere is limited and involves one contiguous 19.5-acre area located along the intersection of Sunset Drive and Busch Drive. No special study areas are assigned to the SCHD sphere by LAFCO.

Limited Expansion Expectations…
LAFCO's sphere of influence for Oceanside SCHD is purposefully aligned with the City of Oceanside and includes all jurisdictional lands plus one non-jurisdictional area near Sunset Drive and Busch Drive totaling 19.5 acres.

SCHD's sphere of influence is shown on Map B-1.

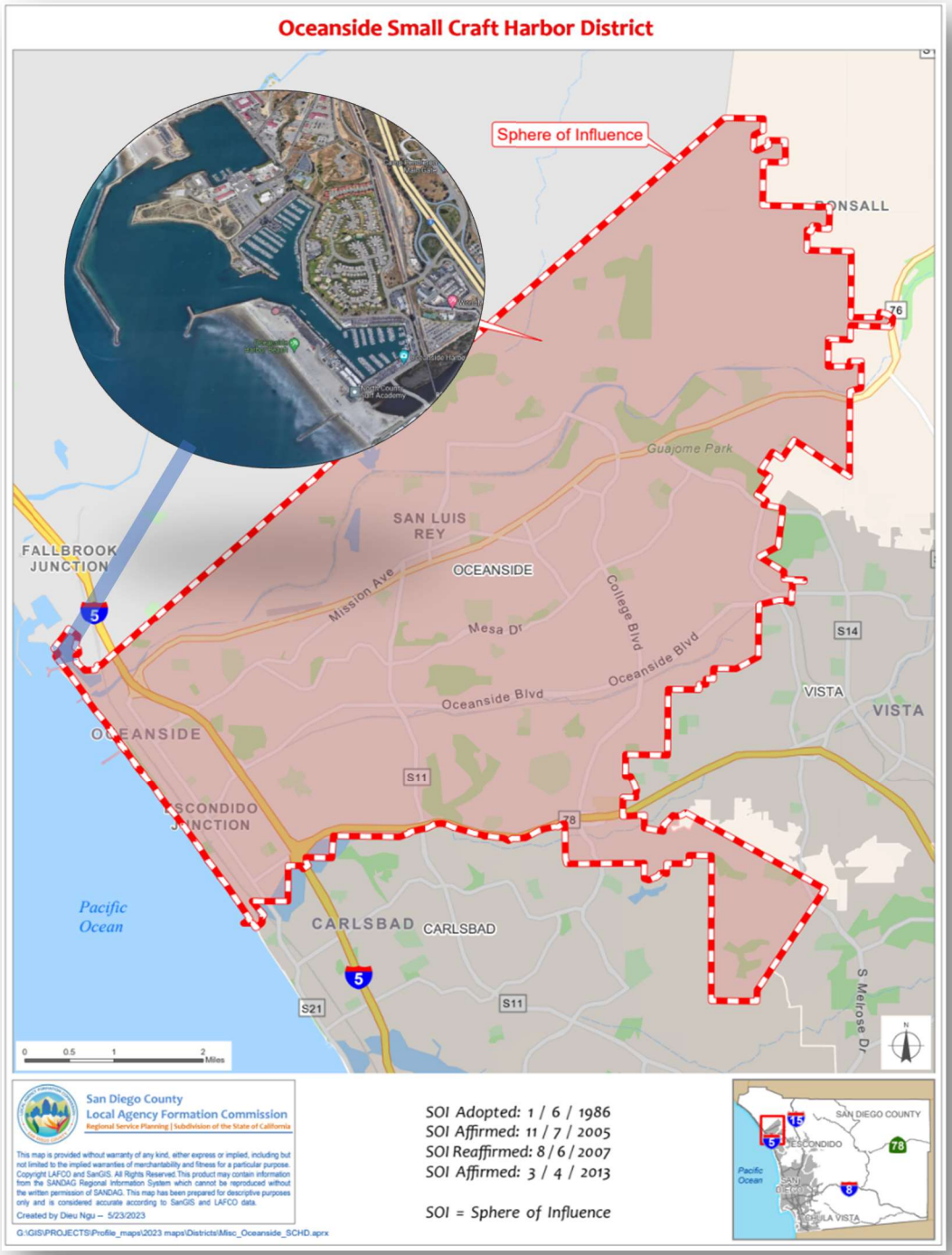
3.3 Boundary Relationship to General Plans

See the discussion provided in the City of Oceanside profile.

3.4 Relationship to College and School District Boundaries

See the discussion provided in the City of Oceanside profile.

Map No. B-1



4.0 DEMOGRAPHICS

4.1 Population and Housing

Oceanside SCHD's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 174,615 at the end of the five-year report period. This amount represents 4.4% of the countywide population total. It is also estimated the full-time population in SCHD has risen overall by approximately 4.8% from 166,554 in 2010 and the associated census reset. This translates to an annual increase of 522 or 0.4%, which is one-fifth lower than the corresponding countywide growth rate of 0.6% over the same period. The current estimate produces a population density of 6.5 residents for every one acre and underlies the overall dense suburban character of the jurisdictional boundary. It is projected the current growth rate will continue into the near term and result in the full-time population reaching 178,165 by 2027 as reflected in Table B-4.1a.

Positive – Albeit Modest – Growth…
It is estimated there are 174,615 fulltime residents in Oceanside SCHD at the end of the report period with the average day addition of 1.4 new residents over the preceding 60 months. It is projected the fulltime population will increase, consistent with recent trends and reach 178,165 by 2027.

Oceanside SCHD
Resident Population
Table B-4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	2027 Estimate	Annual Change
Oceanside SCHD	166,554	172,004	174,615	178,165	0.4%
San Diego County	3,095,305	3,244,893	3,315,082	3,414,325	0.6%

It is separately estimated by LAFCO there are 68,147 residential housing units within Oceanside SCHD at the end of the five-year report period. This amount represents an overall increase of 3,905 – or 6.1% – since 2010 for an annual change of 325. The overall ratio of new residents to new housing during the reporting period is 1.61 to 1.0. This most recent ratio– notably – marks a significant improvement relative to the preceding five-year ratio of one housing unit for every 2.98 residents.

Housing to Population…
Oceanside SCHD experienced the average annual construction of 325 new housing units over the reporting period. This results in SCHD experiencing the addition of one new home for every 1.6 new residents, which marks a 37% improvement over the historical ratio of one unit for every 2.6 residents.

Additional characteristics underlying SCHD's jurisdictional boundary follow in Table B-4.1b with additional details provided in the City of Oceanside profile.

Oceanside SCHD
Housing Characteristics
Table B- 4.1b: | Source: Esri and San Diego LAFCO

Factor	Oceanside SCHD	San Diego County
2010 Housing Units	64,242	1,164,781
2022 Housing Units	68,147	1,238,794
… % Change	6.1%	6.4%
Household Size (5-year average 2012-2016)	2.95	2.87
Household Size (5-year average 2017-2021)	2.98	2.81
… % Change	1.02%	(2.09%)
Monthly Housing Cost (5-year average 2012-2016)	$1,805.11	$1,578.00
Monthly Housing Cost (5-year average 2017-2021)	$2,247.94	$1,971.00
… % Change	24.53%	24.90%
2010 Vacancy Rate	8.0%	6.7%
2022 Vacancy Rate	6.5%	5.9%
… % Change	(19.3%)	(11.9%)

4.2 Age Distribution

The median age of residents in Oceanside SCHD is 38.6 based on the current five-year period average. This amount reflects an increase of 1.8% from 37.9 over the preceding five-year period. The current median age in SCHD also remains higher than the countywide average of 36.3. Additional age characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.3 Income Characteristics

The median household income in Oceanside SCHD is $97,238 based on the current five-year period average. This amount shows households are receiving significantly more pay over the report period with the median income experiencing an overall increase of approximately 42.4% from the preceding period average of $68,307; a difference that is more than double the corresponding change in inflation measured for the San Diego region over the same period.[5] Additional income characteristics relevant to SCHD are provided in the City of Oceanside profile.

[5] The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

4.4 Other Socioeconomic Indicators

Unemployment levels within Oceanside SCHD are comparatively low at 5.6% based on the current five-year period average. This amount is nearly one-sixth – or (15.2%) – below the corresponding countywide average rate of 6.6%. Unemployment levels – however – have increased by more than one-third – 33.4% – from the previous five-year average of 4.2%. Additional socioeconomic characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.5 Unhoused Needs and Capacities

Counts performed during the five-year review period show the average number of homeless within Oceanside SCHD has been 471. The total number of counted homeless at the end of the period totals 514 with 61.9% – or 318 – being unsheltered and residing in cars, public places, or the street. The remaining 196 homeless counted in SCHD at the end of the abbreviated period are sheltered and reside in an emergency shelter, homeless shelter, or transitional housing. Additional homeless characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.6 Environmental Justice

Population Burdens + At-Risk Factors…
LAFCO's consideration of environmental justice factors in Oceanside SCHD draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

LAFCO's consideration of environmental justice factors relative to Oceanside SCHD's jurisdictional boundary draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics. Two composite percentile rankings are generated based on a weighted calculation involving all underlying census tracts within SCHD. This involves pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below with additional details provided in the City of Oceanside profile.

- SCHD's composite **pollution burdens** ranking falls in the 34th percentile relative to the rest of California. Four pollution burden measurements exceed the 50th percentile and are considered relatively high. These four measurements

comprise (a) two exposures involving traffic impacts and drinking water contaminants as well as (b) two environmental effects involving hazardous waste and impaired water bodies. One of these four measurements – impaired water bodies – exceeds the 66th percentile and is considered significant and associated with the Loma Alta Creek, which is under a clean-up order from the State via the Clean Water Act with additional details footnoted.[6]

- SCHD's composite **at-risk population** ranking falls in the 28th percentile relative to the rest of California. One at-risk population measurement exceeds the 50th percentile and is considered relatively high. This measurement involves housing burdens. This means a proportionally high amount of households are both low income (making less than 80% of the HUD median family income) and severely burdened by housing costs (paying more than 50% of income to housing costs).

5.0 ORGANIZATION

5.1 Governance

Oceanside SCHD operates as a dependent special district under Division 8 of California's Habor and Navigation Code (Sections 7000 to 7340.). The principal act – Small Craft Harbor Act – is codified under Part 7 and established by the Legislature in 1959 to provide local communities the ability to create and/or manage portions of the Pacific Ocean or inland waters for public benefit and usage. It establishes eligibility for special districts created therein to provide a broad range of municipal harbor functions and ancillary classes. Materially, and as an alternative to the baseline standard of having an elected board, the principal act specifies when the territory included within any subject district lies entirely within a single city, the legislative body of such city shall be ex officio the board of directors of the district.[7]

[6] The referenced clean-up order is by the State Regional Water Quality Control Board. The order is part of a regional order assigned to the "Carlsbad Watershed Management Area." The Loma Alta Creek is one of six hydrologic areas in the affected watershed. The Loma Alta Creek drains through a slough into the Pacific Ocean. According to the clean-up order, portions of the Loma Alta Creek have been subject to human modifications; namely, the construction of concrete-lined channels. These alterations, among others, have contributed to the degradation and fragmentation of riparian habitat corridors and a reduction in the value of critical ecosystem services previously offered by the natural channel and wetlands.

[7] Reference to Section 7046.

SCHD is currently authorized by LAFCO to provide three broad municipal functions contemplated under its principal act – (a) marina and (b) dredging, and (c) patrol and rescue – along with ancillary classes as specified in Table 5.1a below as well as detailed in Section 6.0. However, while authorized to provide all three municipal functions, only SCHD's marina and dredging functions are active; the patrol and rescue function is inactive with the City of Oceanside assuming these services since 2009.

Clarifying Oceanside SCHD's Patrol and Rescue Function…
Oceanside SCHD's patrol and rescue function has become dormant beginning in 2009 but remains officially "active." This dynamic suggests formal action should be taken to divest the function and in doing so remedy potential liability issues.

Oceanside SCHD
Authorized Functions and Ancillary Classes
Table B-5.1a | Source: SD LAFCO + Harbor and Navigation Code

Function	Ancillary Classes
Marina	Acquisition, Reconstruction, Repair, and Operation of Wharves, Docks, Boat Slips, Ferry Slips, Berths, Warehouses, Streets, Roads, Drives Parkways, Approaches, Aquatic Playgrounds, Beach Parks, Bathing Beaches, Other Recreation Facilities, Fueling, Loading, Shipping and Reshipping, and Sanitation.
Dredging	Acquisition, Reconstruction, Repair and Maintenance of Channels, Shipways, Anchorage Places, Jetties, Breakwaters, Bulkheads, Seawalls and Turning Basins.
Patrol and Rescue	Inactive (Unofficially)

Consistent with the principal act, the Oceanside City Council serves as the Oceanside SCHD Board of Directors and holds concurrent meetings. The Board's decision-making – materially – draws on the deliberations of the nine-member Harbor and Beaches Advisory Committee. The Committee meets six times a year on the third or fourth Monday of February, May, June, August, October, and November starting at 5:00 P.M. in the City Council Chambers. Summary minutes are prepared for all Committee meetings; audio and video recordings are not provided. A current listing of the Board and Committee follows in Tables B-5.1b and B-5.1c.

Oceanside SCHD - Current Board Roster
Table B-5.1b | Source: City of Oceanside

Member	Position	Years on Council	Background
Esther Sanchez	Board President	22.5	Attorney (retired)
Ryan Keim	Deputy Board President	3.5	Police Officer
Eric Joyce	Board member	1	Educator
Rick Robinson	Board member	1	Fire Protection (retired)
Peter Weiss	Board member	4.5	Local Government (retired)
			Average Experience: 6.5 Years

Harbor and Beaches Advisory Committee
Current Committee Roster
Table B-5.1c | Source: Oceanside SCHD

Member	Position	Years on Board	Background
Liz Rhea	Chair	10	Consulting
Mark Mallaby	Committee Member	1	Corporate
Ernie Prieto	Vice Chair	2	Non-Profit
Carolyn Krammer	Committee Member	7	Community Activist
James Gardner	Committee Member	10	Local Business Owner
~~Gigi Gleason~~Rusty Russell	Committee Member	~~4~~	~~Non-Profit~~
Joe Yaglinski	Committee Member	4	Live-Aboard
Les George	Committee Member	6	Public Safety
Vacant	n/a	n/a	n/a
			Average Experience: 5.5 Years

5.2 Administration

Oceanside SCHD appoints an at-will and full-time Harbor Manager to oversee all District functions. The current Habor Manager – Joseph Ravitch – was appointed in May 2023. Ted Schiafone served as the Harbor Manager for the duration of the reporting period before taking a similar position with the City of Morro Bay. The total number of budgeted positions allocated to SCHD at the end of the report period is 17.4 full-time equivalent employees with more than one-half tied to maintenance positions. Overall, budgeted staffing for SCHD has remained constant over the preceding 60-month period. Budgeted staff levels and related categories follows in Table B-5.2a.

Oceanside SCHD Administration Office
1540 Harbor Dr S, Oceanside, CA 92054



Photo Credit: Google Maps

Oceanside SCHD
Budgeted Staffing Levels
Table B-5.2a | Source: Oceanside SCHD

Category	FY 2018	FY 2022	Average	Trend
Management	1.1	2.2	1.7	100.0%
Maintenance	11.2	11.2	11.2	0.0%
Administrative Support	5.0	4.0	4.5	(25.0%)
Total	17.3	17.4	17.4	0.6%

6.0 MUNICIPAL SERVICES

Oceanside SCHD currently provides two active municipal service functions as categorized by LAFCO – (a) marina and (b) dredging – within its approximate 100-acre service area encompassing the Oceanside Harbor and shown on the following page as Map 2. (A third authorized function – patrol and rescue – has been inactive since 2009 with the City of Oceanside assuming the services directly.[8]) A summary analysis of the two active service functions and their ancillary classes follows with respect to resources, capacities, demands, and performance during the five-year report period.

Oceanside Harbor
Main Entrance via Harbor Drive



Photo Credit: Google Maps

6.1 Marina Function + Ancillary Classes

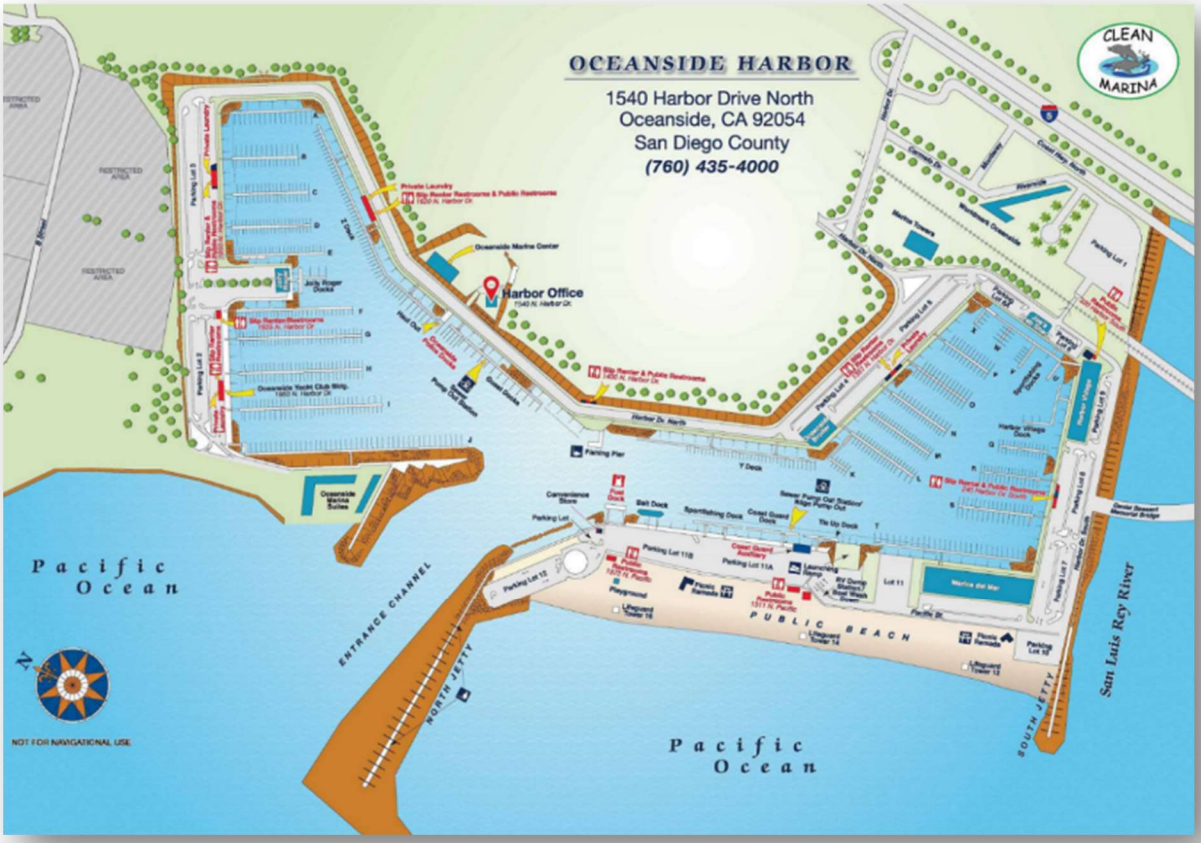
Oceanside SCHD's marina function dates to its formation and represents the agency's primary service activity in terms of volume and comprises several distinct classes underlying the public-facing operations of the Oceanside Harbor. These class activities are headlined by the construction, repair, and ongoing operation of a municipal wharf, fishing pier, harbor basins (docks and slips), beach and camping, streets and sidewalks, and parking. 100% of all budgeted costs during the reporting period have been expended on the marina function and related – albeit standalone – classes.

Public-Facing Function…
Oceanside SCHD's marina function and distinct classes serve as the agency's public-facing service and are marked by the ongoing operation (construction, repair, and amenities) of the Oceanside Harbor. 100% of all budgeted + actual resources during the reporting period have gone to this function.

A pictorial map of the Oceanside Harbor is provided on the following page.

[8] The City of Oceanside transitioned land and water-based public safety services within the SCHD at the end of the reporting period in 2022 from its Police Department via a dedicated Harbor Unit to the Fire Department via a dedicated Lifeguard Unit. A total of 10 positions within the Lifeguard Unit are assigned to the Haror with coverage spanning 24 hours a day, seven days a week. Land and water public safety services include boat operations and towing, rescue swimmers, fire suppression, emergency medical services, hazardous materials response, and vessel inspections.

Map No. B-2



Map Provided by Oceanside SCHD

Resources, Capacities + Related Demands

Oceanside SCHD's marina function operates as an enterprise and is organized to be fully self-sufficient via resources generated directly by marina users. Actual revenues generated during the five-year report period have annually averaged $8.292 million. Actuals collected at the end of the reporting period tallies $9.198 million and underlies a period change of 23.0% and is attributed to beginning to receive lease monies generated at the wharf. More than four-fifths of the average actual tally – or 82.7% – is drawn from monthly slip rentals. Actual expenses during the reporting period have annually averaged $9.945 million. The final year tallies $8.750 million and underlies a period change of (39.0%). Nearly two-thirds – or 64.9% – of actual expenses ties to paying rent to Oceanside, which in turn – among other items – covers staff support.

Self-Supporting Resources…
Oceanside SCHD's marina function is intended to be entirely self-funded with actual annual revenue averaging $8.3 million during the five-year report period with 83% coming from boat slips. Actual annual expenses have averaged $9.945 million with 65% covering staff support costs with the City of Oceanside and the assignment of 17.4 full-time-equivalent positions.

With respect to available capacities and demands underlying SCHD's marina function and the provision of a municipal wharf, fishing pier, berthing basins (docks and slips), launch ramp, beaching and camping, streets and sidewalks, and parking:

- Wharf:
  SCHD maintains and operates a municipal wharf in coordination with Oceanside's Real Estate Division (Public Works Department) that frames the Oceanside Harbor complex. The wharf's leasable commercial spaces span approximately 350,000 square feet and are largely divided between four broad categories: recreation; marine services; food and beverage; and hotel. The largest lease at the end of the reporting period totals 90,544 square feet involving the Oceanside Marina Inn – Pacific Suites. Nearly all leases pay a uniform ~~minimal~~ rental rate plus a percentage of net revenue. SCHD finished the reporting period with a 100% occupancy rate.

- Fishing Pier:
  SCHD maintains an approximate 50-foot length municipal pier at the Oceanside Harbor. The pier was originally built in 1963 and most recently rebuilt in 1987. The L-shape pier is dedicated to recreational fishing and made of redwood planking that extends over shallow muddy waters with a wrap-around railing at 44 inches in height. It is located in the center of Oceanside Harbor overlooking the inlet to the Pacific Ocean and divides the north and south berthing basins. Up to a dozen anglers can use the pier at any given time with bass, jacksmelt, and opaleye being common catches. ~~SCHD does not require f~~ Fishing permits are not required.

- Berthing Basins (Boat Slips + Docks):
  SCHD's basins are divided into two distinct berths – north and south – which were established as part of the original construction of the Oceanside Harbor in 1963. A third basin was tentatively planned by SCHD beginning in the late 1970s via expansion into the adjacent Del Mar Marina (Camp Pendleton) but has not materialized to date.[9] Additional details follow.

  - The combined number of boat slips in Oceanside Harbor totals 954 at the end of the reporting period. This amount has remained unchanged during the preceding 60 months. 890 boat slips are dedicated to permittees.

[9] The Del Mar Marina was constructed in 1942 as a wartime measure. It lies immediately upcoast from the SCHD boundary and designed to serve landing crafts as well as training operators of amphibious vehicles. These uses continue today.

- 64 boat slips are dedicated to wharf leases and guests. All slips are single with water and electric hook-ups included. Permittees are limited to staying overnight on their boards no more than three (3) times per week.

- All permittees consent to the Habor Manager or their designee to have inspection access to help ensure vessels comply with SCHD rules and regulations, including seaworthiness and appearances. Permittees retain their permits after selling their registered vessel so long as they purchase and register a new vessel within 90 days. Permittees may also transfer permits with the prior approval of the Harbor Manager.

- All permittees pay monthly rent based on their slip size and number of vessel feet. Slip rents have increased uniformly by 11.1% over the reporting period with a typical offshore `boat of 40 feet paying $700.00 per month at the end of the period. A listing of rents follows in Table B-6.1a.

Oceanside SCHD's Boat Slip Monthly Per Foot Charges
Table B-6.1a | Source: Oceanside SCHD

Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'
2018	14.40	15.70	15.70	15.70
2019	14.40	15.70	15.70	15.70
2020	15.30	16.70	16.70	16.70
2021	15.30	16.70	16.70	16.70
2022	16.00	17.50	17.50	17.50
Average	**15.08**	**16.46**	**16.46**	**16.46**

Postscript: SCHD's monthly rates were raised beginning in January 2024 approximately 18%.

- There are 26 total piling docks divided between 11 (A-J and Z) in the north basin and 15 (K-X) in the south basin. Both basins are accessed through locked gangways with each having sewer pumpout stations. Both basins also have dedicated full bathrooms and laundry facilities that are accessible to permittees through electronic fobs. A fuel dock is located in the south basin.

- SCHD policies allow for a maximum of 10% of the available permitted boat slips to liveaboards. The current number of liveaboards at the end of the reporting period is 86 and has remained unchanged during the preceding 60 months. Eligibility is limited to vessels that are no less than 32 feet in length and occupied by owners and their immediate family members. Liveaboards must have permanent toilets and holding tanks as well as maintain records showing regular pumpouts.

- Guest slips total 18 24 with an array of side ties and are available to the public on a first-come basis with a maximum stay of 30 days unless approved by the Harbor Manager.

- Both permittees and liveaboards have remained at full capacity during the reporting period. Waiting list tallies follow in Tables B-6.1b and B-6.1c.

Oceanside SCHD's Boat Slip Waiting Lists
Table B-6.1b | Source: Oceanside SCHD

Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'	Other Sizes	TOTAL
2018	6	44	55	23	18	146
2019	17	73	72	19	19	200
2020	29	73	75	18	19	214
2021	63	72	92	20	19	266
2022	58	63	68	19	18	226
Average	34.6	65.0	72.4	19.8	18.6	210.4

Oceanside SCHD's Liveaboards Waiting Lists
Table B-6.1c | Source: Oceanside SCHD

Year	2018	2019	2020	2021	2022	Average
List A	13	11	10	11	11	11
List B	69	83	94	103	108	94
Total	82	94	104	114	119	103

- Launch Ramp:
  SCHD maintains one municipal boat launch. The ramp includes four boarding floats that can accommodate up to six vessels at any one time. The ramp is part of the south basin off of North Pacific Street.[10] SCHD does not track launches.

- Beach + Camping:
  SCHD maintains one municipal beach – Harbor Beach. The beach is approximately 0.5 miles in length and totals approximately 3.0 acres – making it the largest in Oceanside. The beach is open year-round and patrolled by three Oceanside lifeguard towers, which are typically staffed between Memorial Day and Labor Day. Onsite amenities include two covered picnic table areas, 24 10 fire rings, and a children's playground. Public restrooms are open 24-hours. Vehicle camping is available year-round and there is a five-night limit in any 30-

[10] Parking is available in the adjacent lot (11b) with the capacity to accommodate 110 auto/trailer spaces with daily fees between $35 (May to September) and $30 (October to April).

day period. Tents, popouts, slideouts, and awnings are not allowed.

- Streets and Sidewalks:
  SCHD maintains approximately 2.0 miles of municipal right-of-way roads along Harbor Drive – North and South – as well as a short section of Pacific Street specific to cleaning and trash recovery. SCHD similarly maintains ~~These streets have varying widths but accommodate only one travel lane in each direction. There are no medians or signalized intersections. Two entry/exit points exist. The primary outlet is at Habor Drive and directly connects to Interstate 5 to the east. The secondary outlet involves Pacific Street and its bridge segment spanning south across the San Luis Rey River. SCHD separately maintains~~ approximately 2.8 miles of municipal sidewalks located along the periphery of the two berthing basins. Heavy usage during summer months occurs along Habor Dive South and is associated with pedestrians using the free parking in Lot 1 and walking the 2,000-foot distance to Habor Beach. Actual street and sidewalk repair is provided by Oceanside.

- Parking:
  SCHD maintains 15 public parking lots collectively providing 1,690 total vehicle spaces. This total amount is divided between 413 reserved and 1,277 unreserved parking lot spaces. Reserved parking within the lots is largely dedicated to ~~leaseholders and their customers as well as~~ boat slip renters. Additional information follows in Table B-6.1d.

Oceanside SCHD's Public Parking Capacities
Table B-6.1d | Source: Oceanside SCHD

Lot	Reserved	Unreserved	Total
No. 1	23	427	450
No. 2	44	112	156
No. 3	43	119	162
No. 4	43	67	110
No. 5	71	87	158
No. 6	40	63	103
No. 7 (paid)	57	60	117
No. 8 – North + South	0	55	55
No. 9	0	24	24
No. 10 (paid)	0	51	51
No. 11 (paid)	0	35	35
No. 11 – A + B (paid)	0	178	178
No. 12 (paid)	0	91	91
TOTAL	413	1,277	1,690

Overall Performance: Measuring Capacities and Demands

Oceanside SCHD's primary municipal function – marina – encompasses several connected service classes underlying the day-to-day operations of the Oceanside Harbor. The marina function's organization as an enterprise fund creates an otherwise unique task for SCHD as a local governmental agency to generate retail-type revenues sufficient to continue to attract and retain business, most notably in the form of its primary income sources involving boat slips and commercial lessees. Although demands for these primary revenue generators have remained relatively steady through the five-year report period as measured by their respective waiting lists and vacancy rates, the outlook going forward appears less certain. This uncertainty ties to six decades of continued ocean and saltwater exposure to infrastructure that has remained and largely paired with expanding usage marked by boat slips nearly doubling from 520 to 954. Decades of delayed and/or deferred maintenance have left core infrastructure increasingly vulnerable to breakdowns and/or failure.

Reconciliation on the Horizon...
Two things appear equally true with respect to measuring the performance of Oceanside SCHD's marina function:

1) SCHD's marina function appears to be performing satisfactorily through the end of the five-year report period as measured by constant demand for its two primary revenue sources: boat slip permittees and commercial wharf leases.

2) Performance of the marina function has under-prioritized regular maintenance, and as a result has left its core infrastructure (docks, pilings, etc.) in need of an estimated $28.0 million to stabilize over the next 15 years; an amount more than 3 times greater than the average annual revenue collection during the reporting period.

An outside engineer recently completed an assessment at the end of the reporting period estimating the total costs to stabilize and maintain core Harbor infrastructure (docks, gangways, gates, pilings, etc.) over the next 15-year period at $28.0 million; an amount more than three times greater than SCHD's annual average actual revenue. SCHD subsequently responded to the outside engineer's estimate in December 2023 with a series of actions to enhance revenues and cover most of the estimated maintenance costs. The enhancements are mostly to be borne by slip permittees and marked by raising monthly fees by approximately 18% and adding individual billing meters for water and electricity. The next municipal service review covering SCHD should review the effects of implementing these revenue enhancements and the relationship on demands – positive, negative, or neutral – among boat slip users.

6.2 Dredging Function + Ancillary Classes

Oceanside SCHD's dredging function also dates to its formation and the creation of the Oceanside Harbor to provide sufficient depth and protection for boats' berthing and passage within the Harbor. This function involves two related classes involving channel clearing and beneficial reuse of sand ~~beach restoration~~ with the latter directly tied to the former. These services are presently limited to an advisory role to the U.S. Army Corps of Engineers.

Maritime-Facing Function…
Oceanside SCHD's dredging function and two related classes – channel clearing and beach restoration – serve as the agency's core maritime service and performed in a coordinating role with the U.S. Army Corps of Engineers.

Resources, Capacities + Related Demands

Oceanside's SCHD's dredging function operates as a non-enterprise and is accordingly dependent on non-user revenues to fund activities. No resources – notably – have been budgeted by SCHD for the dredging function and its two intertwined classes – channel clearing and beach restoration – during the reporting period. Instead, this function is incidentally supported as part of SCHD's marina function and involves administratively advising and coordinating with the U.S. Army Corps of Engineers and their annual dredging commitment to clear the inlet shared with Camp Pendleton.[11] The Corps commitment to perform annual dredging has been historically premised on ~~keeping~~ dredging the inlet to a depth of no less than 30 feet and in doing so limiting risks to boats to shoaling effects - the concurrent shallowing of water and intensifying of waves. More recently, however, the amount of accumulated sand in the inlet has been decreasing as a result of southward drift. The annual dredging generally takes place in late spring and takes approximately two to four weeks to complete at a cost of approximately $~~3~~6.5 million. The average yearly volume of sand dredged from the inlet during the reporting period has been 257,019 cubic yards~~, which translates to covering approximately 160 acre-feet~~.

Annual totals for each of the five years in the reporting period follow in Table B-6.2a.

[11] The annual dredging program is a cost-share by the U.S. Corps of Engineers and Navy.

U.S. Army Corps of Engineering – Annual Dredging
Table B-6.2a | Source: Oceanside SCHD

Year	Cubic Yards	Acre-Feet Equivalent
2018	184,323	114.25
2019	228,108	141.39
2020	245,382	152.10
2021	349,703	216.76
2022	277,670	172.11
Average	257,109	159.37

Sand dredged by the U.S. Corps of Engineering as part of the annual channel clearing is currently pumped onto the ~~north end of~~North Strand and Pier View beaches ~~Harbor Beach~~. ~~The City of Oceanside~~U.S. Army Corps of Engineering – and not SCHD – ~~separately~~ covers the costs to dredge and place ~~replenish~~ the sand on the north beaches ~~along Harbor Beach and further south as the Oceanside Pier~~as a source of beach replenishment as volume permits. Pertinently, to date, only the annual dreading of the Oceanside Harbor provides sand replenishment for any beaches in Oceanside. A recent feasibility analysis prepared for Oceanside in 2021 to address sand replenishment and retention options along its coastline estimates Harbor Beach is now eroding by (2.4 feet) annually ~~*despite the annual dredging program (emphasis added)*~~.[12]

More Sand Needed…
Despite the annual replenishment performed by the U.S. Corps of Engineering, it is estimated Harbor Beach is currently losing 2.4 feet a year to erosion based on a 2021 consultant's report prepared for Oceanside.

Overall Performance: Measuring Capacities and Demands

Oceanside's SCHD's dredging function operates passively with capacities at the end of the five-year report period constrained to providing advisory input to the U.S. Corps of Engineers as part of their annual activities involving the Oceanside Harbor. While this passive role provides benefit to constituents by having a representative voice in the Corps' decision-making, it nonetheless differs from expectations set at formation for SCHD to directly clear channels. It is also apparent the

Managing Expectations…
Oceanside SCHD should revisit its dredging function and consider the dual merits of either establishing stand-alone capacities to clear the inlet as well as replenish/retain sand on Harbor Beach or pursuing divestiture in managing community expectations and any associated liabilities.

[12] Oceanside states a separate study performed by SANDAG that Habor Beach is growing at a rate of 2.8 feet per year. Additional analysis is needed to reconcile the discrepancies between the two studies.

level of clearing and associated sand replenishment provided annually by the Corps is not keeping up with current erosion losses along Harbor Beach. These factors suggest SCHD revisit its dredging function to either establish stand-alone capacities to clear the inlet as well as replenish and retain sand along Harbor Beach or pursue divestiture in managing community expectations.

7.0 FINANCES

7.1 Budget and Actuals

With respect to planning annual expenses, Oceanside SCHD's total adopted budgeted costs have averaged $9.618 million during the five-year report period. The most recent budgeted amount falls (11.4%) below the five-year average of $8.522 million with four-fifths of this recent tally going to cover staff support services with the City of Oceanside. Most of the remaining budgeted expense planned at the end of the reporting period involves making a lease payment to Oceanside for the Harbor complex. A summary of budgeted expenses follows in Table B-7.1a.

Budgeting Costs...
Oceanside SCHD's total budgeted expense at the end of the five-year report period is $8.522 million with 83% covering planned staff support services with the City of Oceanside. Overall, SCHD's total budgeted costs – i.e., the expected expense to run all Harbor activities – have increased by 15% over the reporting period.

Oceanside SCHD
Total Budgeted Expenses
Table B-7.1a | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Maintenance + Ops	657,343	3,341,064	894,669	4,187,523	791,863	1,974,492	20.5
Internal Charges	6,300	442,364	22,000	9,000	33,623	102,657	433.7
Capital Outlay	-	-	-	-	133,103	26,621	0.0
Debt Service	363,103	135,926	132,053	135,103	-	153,237	(63.3)
Transfers	6,196,682	6,237,298	6,696,325	707,711	7,088,904	6,665,264	14.4
Other	159,900	159,900	474,365	474,365	474,365	348,579	196.7
Personnel	-	1,736,052	-	-	-	347,210	n/a
Total (millions)	**$7.383**	**$12.053**	**$8.2193**	**$11.9133**	**$8.522**	**$9.618**	**15.4%**

Oceanside SCHD's overall actual expenses during the five-year report period have averaged $9.945 million and slightly below – specifically 3.4% – budgeted expectations. The most recent actual amount expended by SCHD tallies $8.750 million and underlies an overall trend decrease of (39.0%) during the reporting period. Of this most recent year's amount, exactly nine-tenths involved payments going to Oceanside for staff support ($6.996 million) and the lease at Oceanside Harbor ($0.836 million). The overall average actual per capita expense during the reporting period is $57.30 with starting and ending amounts of $83.15 and $50.11; a decrease of (39.7%).

Actual Costs...
Oceanside SCHD's total actual expense at the end of the five-year report period equals $8.750 million with 80% covering staff support services with the City of Oceanside. Overall, the variance between actual and budgeted expenses during the reporting period falls slightly higher at 3.3%.

A breakdown of all actual expenses for the reporting period follows in Table B-7.1b.

Oceanside SCHD
Total Actual Expenses
Table B-7.1b | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Maintenance + Ops	731,967	1,243,119	1,174,518	3,664,477	1,056,064	1,574,029	44.3
Debt Service	17,685	15,161	13,008	10,760	8,502	13,023	(51.9)
Transfers	6,029,821	3,655,649	6,157,376	6,721,848	6,995,727	6,452,084	16.0
Other	7,296,784	394,744	367,685	500,264	645,614	1,841,018	(91.2)
Internal Charges	1,280	5,268	9,704	7,668	43,970	13,578	3335.2
Capital Outlay	258,452	-	-	-	-	51,690	(100.0)
Total (millions)	**$14.336**	**$8.014**	**$7.722**	**$10.905**	**$8.750**	**$9.945**	**(39.0%)**
Per Capita Value	$83.15	$46.28	$44.36	$62.58	$50.31	$57.30	(39.7%)

With respect to planning revenues, Oceanside SCHD's total adopted budgeted revenues have averaged $8.607 million during the five-year report period. The most recent budgeted amount falls (0.4%) below the five-year average of $8.576 million with more than two-thirds expected from monthly boat slip fees. Most of the remaining budgeted revenue planned at the end of the reporting period involves commercial leases and parking fees. A summary of budgeted expenses over the reporting period follows in Table B-7.1c.

Budgeting Revenues...
Oceanside SCHD's total budgeted revenue at the end of the five-year report period is $8.576 million with 68% tying to boat slip fees. Overall, SCHD's total budgeted revenues – i.e., the expected monies generated in running all Harbor activities – have increased by 16% over the reporting period.

Oceanside SCHD
Total Budgeted Revenues

Table B-7.1c | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Boat Slip Fees	5,200,000	5,192,000	5,538,000	5,761,000	5,868,000	5,511,800	12.8
Commercial Leases	1,186,000	1,254,000	1,332,000	4,383,000	1,431,000	1,917,200	20.7
Parking	914,000	997,000	1,033,000	1,059,000	1,059,000	1,012,400	15.9
Interest	15,000	15,000	15,000	15,000	15,000	15,000	0.0
Transfer – Wait List	-	71,000	89,000	92,000	92,000	68,800	n/a
Inspection Fees	-	19,000	24,000	29,000	15,000	17,400	
Other	108,000	66,000	27,000	27,000	41,000	538,000	(62.0)
Private Foundations	-	-	-	-	55000	11,000	n/a
Total (millions)	**$7.423**	**$7.614**	**$8.058**	**$11.366**	**$8.576**	**$8.607**	**15.5%**

Oceanside SCHD's overall actual revenues during the five-year report period have averaged $8.314 million and slightly below – specifically 3.4% – budgeted expectations. The most recent actual amount collected by SCHD tallies $9.142 million and underlies an overall trend increase of 16.3% during the reporting period. Drilling down on the final year amount, three-fourths involved monthly boat slip fees ($6.639 million) with the balance largely tying to parking ($1.160 million) and commercial leases ($1.147 million). The overall average per capita actual revenue during the reporting period is $47.86 with starting and ending amounts of $44.69 and $51.33; an increase of 14.9%. A breakdown of all actual revenues for the reporting period follows in Table B-7.1d.

Actual Revenues…
Oceanside SCHD's total actual revenue at the end of the five-year report period equals $8.963 million with 74% generated from boat slip fees. Overall, the variance between actual and budgeted revenues during the reporting period is slightly lower at (3.5%).

Oceanside SCHD
Total Actual Revenues

Table B-7.1d | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Fund Category	2018	2019	2020	2021	2022	Average	Trend
Boat Slip Fees	6,514,862	7,024,358	6,771,433	7,197,044	6,638,791	6,829,298	1.9
Parking Fees	996,412	697,014	839,880	1,159,952	1,159,617	1,024,575	16.4
Service Charges	45,691	37,638	30,839	30,220	30,453	34,968	(33.4)
Commercial Leases	-	-	-	-	1,146,615	229,323	n/a
Fines and Penalties	116,845	116,762	113,589	135,300	116,256	119,750	(0.5)
Other	16,917	42,413	21,934	37,237	50,609	33,822	199.2
Interest Earnings	15,007	184,517	189,192	3,808	(179,008)	42,703	(1292.8)
Total (millions)	**$7.706**	**$8.373**	**$7.967**	**$8.564**	**$8.963**	**$8.314**	**16.3%**
Per Capita Value	$44.69	$48.36	$45.77	$49.15	$51.33	$47.86	14.9%

7.2 Fund Balance

Oceanside SCHD's fund balance at the end of the five-year report period tallies $4.600 million. This amount represents the unassigned cash available to SCHD for any purposes and finishes one-fifth above the annual ending fund balance average of $3.779 million. The combination of the two amounts reflects an overall upward trend over the 60 months of 24.0%. The average annual ending fund balance is separately sufficient to cover 4.9 months of the average operating expense incurred during the reporting period while finishing at 6.3 months. The ending fund balances relative to covering equivalent monthly operating expenses for the reporting period follows in Table B-7.2a.

Sizing the Fund Balance Up...
Oceanside SCHD finished the five-year report period with an unassigned fund balance of $4.600 million, sufficient to cover 6.3 months of actual costs.

Oceanside SCHD
Unassigned Fund Balance + Monthly Coverage Equivalents
Table B-7.2a | Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Ending Fund Balance	3,710,187	3,969,280	4,059,036	2,557,432	4,600,359	3,779,259	24.0
Actual Operating Costs	1,4076,257	8,008,673	7,712,587	10,897,349	8,705,907	9,990,155	(38.2)
Months Covered	3.16	5.95	6.32	2.82	6.34	4.92	100.5

7.3 Financial Statements

Oceanside SCHD contracts with an outside accounting firm to prepare an annual report to review the agency's financial statements in accordance with established governmental accounting standards. These audited statements provide quantitative measurements in assessing SCHD's short and long-term fiscal health based on an accrual accounting method, i.e., recording revenues and expenses ahead of actual payment. All outside audits prepared during the five-year report period have been performed by Lance, Soll & Lunghard, LLP or LSL (Sacramento).

SCHD's most recent financial statements for the five-year report period cover 2021-2022 and were completed on January 31, 2023. These statements show SCHD experienced a relatively substantive improvement over the prior fiscal year as the overall net position covering all activities and related associations increased by 11.8% from $13.7 million

Most Recent Year-Ending Financial Statements (2022)
amounts in millions

Assets	$32.274
Liabilities	$1.420
Deferred Outflow/Inflow	($15.924)
Net Position	**$14.931**

to $14.9 million. The accompanying letter to management did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends during the reporting period follows for assets, liabilities, and net position.

Agency Assets

SCHD's audited overall assets at the end of the reporting period totals $32.3 million. This amount is 72.4% higher than the average ending amount of $18.7 million documented during each of the five report years and underlies the upward and improving track during the period. Assets classified as current with the expectation they could be liquidated within a year tally $6.8 million – or 21.0% of the total – and predominately tie to cash and investments. Assets classified as non-current make up the remainder at $25.5 million. It is this portion of assets that underlie the overall increase during the reporting period and is marked by booking $15.215 million in future commercial lease receivables at the Oceanside Harbor.[13] Overall, SCHD's total audited assets have increased by $17.2 million – or 114.6% – over the corresponding 60-month period. Specific year-end asset totals for SCHD are shown below in Table B-7.3a.

Assets on the Rise …
SCHD's assets have increased by 115% during the five-year report period from $15.0 to $32.3 million with the change largely tied to now booking future commercial lease receivables. The per capita value of total assets at the end of the reporting period is $122.

Oceanside SCHD
Audited Assets
Table B-7.3a | Source: SCHD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	6,171,271	6,549,969	7,060,817	5,699,545	6,774,347	6,451,190	9.8
Non-Current	8,871,317	8,393,516	8,044,133	10,511,368	25,499,757	12,264,018	187.4
Total (millions)	**$15.042**	**$14.943**	**$15.105**	**$16.211**	**$32.274**	**$18.715**	**114.6%**
Per Capita Value	87.25	86.30	86.78	93.03	121.83	95.04	39.7

[13] SCHD also booked a new $3.5 million capital asset in 2021 to replace one of the District's docks with new pilings (J-Dock).

Agency Liabilities

SCHD's overall audited liabilities at the end of the reporting period totals $1.420 million. This amount is (8.5%) below the average ending amount of $1.551 million documented during the reporting period and underlies the downward and improving track during the period. Liabilities classified as current with the expectation they will become due within a year represent $0.953 million – or 67.0% of the total – and largely ties to payable deposits. Liabilities classified as non-current and considered long-term obligations make up the remainder of the balance. These non-current liabilities are predominately divided between a cash advancement from Oceanside in 2016 for the purchase of a patrol vessel operated by OPD as well as debt financing of a 30-year loan from 1994 with the Department of Boating and Waterways. Overall, SCHD's total audited liabilities have decreased by ($0.262 million) – or (15.6%) – over the corresponding 60-month period largely the result of paying down the two aforementioned obligations. Specific year-end liability totals for SCHD are shown below in Table 7.3b.

Liabilities on the Decline…
SCHD's liabilities have decreased by (16%) during the five-year report period from $1.7 to $1.4 million with the change largely tied to paying down long-term debts – including a 2016 cash advancement from Oceanside in the amount of $0.5 million to purchase a new patrol vessel. The per capita value of total liabilities at the end of the reporting period is $8.

Oceanside SCHD
Audited Liabilities
Table B-7.3b | Source: SCHD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	727,499	528,759	649,769	1,337,142	953,812	893,396	31.1
Non-Current	955,000	837,066	713,492	589,982	466,214	712,351	(51.2)
Total (millions)	**$1.682**	**$1.367**	**$1.363**	**$1.927**	**$1.420**	**$1.551**	**(15.6%)**
Per Capita Value	$9.76	$7.89	$7.83	$11.06	$8.13	$8.93	(16.7%)

Net Position

SCHD's overall audited net position at the end of the reporting period totals $14.930 million and represents the difference between total assets and total liabilities along with adjusting for deferred resources. This most recent year-end amount lies 6.8% above the average year-end sum of $13.979 million generated during the five-year report period and underlies the upward and improving trend. Most of the net position – $10.080 million or 67.5% – ties to capital asset holdings. The remainder involves unrestricted monies. Overall, SCHD's audited net position has increased by $1.571 million – or 11.8% – over the corresponding 60-month period and is a byproduct of the concurrent rise in assets and decline in liabilities. Specific year-end net position totals for Oceanside SCHD are shown below in Table 7.3c.

Truing Up Assets and Liabilities…
Oceanside SCHD's audited net position has increased during the five-year report period by 11.8% from $13.360 to $14.931 million. This change parallels the difference in the per capita measurement and its 10.4% increase from $78 to $86.

Oceanside SCHD
Audited Net Position
Table B-7.3c | Source: SCHD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Capital Assets	8,276,317	7,893,516	7,230,641	10,206,368	10,080,107	8.737	21.8
Restricted	-	-	-	-	-	-	-
Unrestricted	5,083,772	5,684,144	6,511,048	4,077,421	4,850,484	5.241	(4.6)
Total (millions)	**$13.360**	**$13.578**	**$13.742**	**$14.284**	**$14.931**	**$13.979**	**11.8%**
Per Capita Value	$77.49	$78.42	$78.94	$81.97	$85.51	$80.47	10.4%

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO's review of the audited financial statement issuances by Oceanside SCHD covering the five-year report period shows the agency experiencing mixed results and related trends within the four central fiscal measurement categories – liquidity, capital, margin, and asset management – utilized in this document. Summaries follow.

Liquidity (Short-Term Outlook)

Oceanside SCHD's average annual current ratio during the reporting period tallies 8.6-to-1 and shows the agency having $8.60 in available cash resources (current assets) for every $1.00 in near-term accounts payable and related debts (current liabilities) over the 60 months. The final year ratio remains relatively robust at 7-to-1 but reflects an overall period decline of (16.3%). A separate liquidity measurement shows Oceanside SCHD's average annual days' cash ratio during the reporting period being 294 and sufficient to cover 42 weeks of baseline expenses and considered good. However, similar to the current ratio, the final year amount tally of 256 days' cash and its adjusted coverage of 36.6 weeks underlies an overall period decline of (20.9%). These two measurements collectively indicate SCHD's otherwise healthy liquidity levels are steadily decreasing and create some uncertainty with regard to the agency's ability to absorb unexpected costs and/or shortfalls in revenues going forward.

Two-Sided Burn Rate…
Oceanside SCHD's days' cash ratio – or burn rate – finished the five-year report period relatively strong at 256. It also experienced an overall (21%) decline with decreases incurring in four of the five years.

Oceanside SCHD
Measuring Liquidity
Table B-7.4a | Source: SCHD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current Ratio	8.4 to 1	12.4 to 1	10.9 to 1	4.3 to 1	7.1 to 1	8.6 to 1	(16.3%)
Days' Cash	3,022	1,702	2,048	2,362	1,921	2,211	(36.4%)

- The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities on a dollar-to-dollar basis. Higher is better.

- The days' cash provides a micro measurement of near-term financial health by comparing available cash and equivalents against the average daily operating expenses less depreciation. Higher is better.

Capital (Long-Term Outlook)

Oceanside SCHD's average annual debt-to-net position during the five-year report period equals 5.2% and quantifies the agency is carrying relatively low levels of long-term debts. The final year tally is 3.1% and underlies a lower and improving condition in which SCHD has reduced its exposure to risks associated with holding long-term debts that increase costs – like rises in interest rates by more than one-half over the reporting period.

Low Credit Balances with High Credit Lines...
Oceanside SCHD's debt ratio decreased by three-fifths during the five-year reporting period before finishing at 4.4%; an amount that positions SCHD with significant capital resources to finance big-ticket improvements going forward.

A separate capital measurement shows SCHD's average annual debt ratio over the reporting period has been 9.1%. This measurement has also been lowered and improved to 4.4% at the end of the reporting period which means the majority balance of SCHD's assets – specifically 95.6% – are free from debt financing. These two measurements collectively show SCHD is well-positioned to maintain good cash flow into the near future given its low debt levels paired with the concurrent ability to use capital to assume new debt as needed.

Oceanside SCHD
Measuring Capital
Table B-7.4b | Source: SCRD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Debt to Net Assets Ratio	7.1%	6.2%	5.2%	4.1%	3.1%	5.2%	(56.3%)
Debt Ratio	11.2%	9.1%	9.0%	11.9%	4.4%	9.1%	(60.7%)

- The debt-to-net position ratio measures long-term financial health to quantify existing debt load as a percentage of the total net position. Lower is better.
- The debt ratio measures long-term financial health to quantify the percentage of assets that are subject to debt financing and the variables associated therein – interest rates, supply costs, etc. Lower is better.

Margin (Net Income)

Oceanside SCHD's average annual operating margin during the five-year report period tallies 4.5% with positive percentages generated in four of the five years reviewed. This measurement covering direct day-to-day activities with all purposes revenues and expenses finished the reporting period at 9.1% and underlies nearly a one-half improvement.

Decent Bottom Line...
Oceanside SCHD's average annual total margin during the five-year report period has been 5% with positive finishing amounts in all five years.

SCHD's average annual total margin – which measures both direct and indirect financial transactions – has been 4.9% with positive finishes in all five years. This more macro measurement also improved during the reporting period by one-seventh, and its higher-finish signals indirect costs and revenues are helping – and not hurting – SCHD's day-to-day activities.

Oceanside SCHD
Measuring Margin
Table B-7.4c | Source: SCRD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Operating Margin	6.4%	0.6%	(0.2%)	6.4%	9.1%	4.5%	43.1%
Total Margin	6.3%	2.6%	2.1%	6.3%	7.2%	4.9%	14.0%

- The operating margin measures profitability levels within the agency as it relates to matching direct revenues and expenses involved in the day-to-day service activities. Higher is better.
- The total margin measures profitability levels within the agency as it relates to matching all direct and indirect revenues and expenses. Higher is better.

Asset Management

Oceanside SCHD's average annual age of all capital assets during the five-year report period totals 52.6. The fifth and final year totals 55.3 and underlies ongoing aging during the 60 months of SCHD's capital assets, which are largely categorized as improvements other than buildings – presumably pilings, docks, and gangways. A separate measurement via the accumulated depreciation ratio shows the general remaining usefulness of SCHD's capital assets has significantly exceeded their expected lifespan with a period average ratio of 264%; i.e., capital assets as a whole have surpassed their expected useful lives by nearly three-fold.

Assets are Old and Getting Older…
Oceanside SCHD's accumulated depreciation ratio at the end of the five-year report period shows its capital assets – at least on an accounting basis – have collectively exceeded their expected usefulness (lifespan) by nearly three-fold.

Oceanside SCHD
Measuring Asset Management
Table B-7.4d | Source: SCRD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Accounting Age of Capital Assets	49.9	49.7	53.5	54.7	55.3	52.6	10.7%
Accumulated Depreciation Ratio	262.0%	282.6%	300.5%	233.3%	242.8%	264.2%	(7.3%)

- The accounting age of capital assets provides a macro index of the average age the agency's core and depreciating facilities, equipment, buildings, and related infrastructure and their current replacement schedule. Lower is better.

- The accumulated depreciation ratio provides a more contextual measurement of the general remaining usefulness of the agency's core and depreciating facilities, equipment, buildings, and related infrastructure relative to their expected lifespan. Lower is better.

7.5 Pension Obligations

None

7.6 Other Post-Employment Benefit Obligations

None

C. MORRO HILLS COMMUNITY SERVICES DISTRICT

1.0 OVERVIEW

Morro Hills
Looking East from Sleeping Indian Rd to Olive Hill Rd



Photo Credit: Google Maps (2022)

The Morro Hills Community Services District (CSD) is an independent special district formed in 1961 in northwest San Diego County immediately to the east of the City of Oceanside. Formation proceedings were initiated by landowners with the support of the County of San Diego to assume the authority to establish, improve, and maintain streets and related roadway incidentals – like curbs, gutters, and drains – as well as provide fire protection. Morro Hills CSD's jurisdictional boundary encompasses nearly two square miles with mostly large residential estates intermixed with agriculture. Most of the jurisdictional boundary lies within a Fallbrook postal code (92028) with nine-tenths under private ownership.

A five-person Board of Directors provides Morro Hills CSD's governance with members directly elected at-large to staggered four-year terms by registered voters. Members may also be appointed in place of contested elections and/or to fill vacancies. The longest-serving member is Thomas Harrington with 25 service years on the Board. All four other members on the Board have less than two years of service.

Morro Hills CSD is currently organized as a limited-purpose agency with municipal operations tied to one active service function – streets – and anchored by maintaining a 6.0-mile roadway system. Ancillary classes are marked by providing signage and drainage along the roadway. Separately, while formation proceedings explicitly contemplated fire protection, records show this service function has never been activated by the CSD and is considered fully latent. Other latent powers vested with the CSD that could be activated with LAFCO approval are extensive under the principal act and headlined by water, wastewater, parks, lighting, and police protection.

Limited Purpose Agency…
Morro Hills CSD is authorized to provide one active service function – streets – at the end of the five-year report period and is anchored by a 6.0-mile roadway system. Although initially empowered to provide fire protection, this function is latent and would require new LAFCO approval to activate.

With respect to finances, Morro Hills CSD's operating budget at the term of the reporting period (2021-2022) totals $0.023 million in authorized expenses. The audited financial statements show Morro Hills CSD's net position at the same time totaling $0.578 million with the unrestricted portion making up nearly one-half at $0.266 million. Morro Hills CSD has no employees; all services performed by the CSD are done so by contractors.

LAFCO independently estimates the full-time resident population within Morro Hills CSD is 1,001 at the term of the reporting period. (Information is not readily available within the affected census block groups to reliably estimate earlier counts within the reporting period.) The total number of housing units within the jurisdictional boundary at the end of the reporting period is 396. The resulting average ratio of residents to housing units is 2.5. The median household income among residents within Morro Hills CSD is $146,289 based on the current five-year period average and more than three-fifths above the countywide average of $88,240. The average home value in the CSD (92028) has separately increased by 58.5% over the reporting period from $550,771 to $872,987.[1] This separately generates a home price-to-income ratio of 6.0.

2.0 BACKGROUND

2.1 Community Development

View of Morro Hills
From Mission San Luis Rey (1890s)

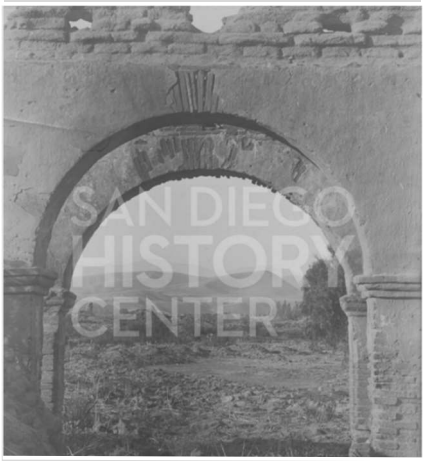


Photo Credit: San Diego History Museum

The region covering present-day Morro Hills CSD began its contemporary development in the late 1700s. The genesis of the development ties to the Payomkawichum people – called Luiseños by the Spanish newcomers – establishing permanent villages along the Santa Margarita and San Luis Rey Rivers in conjunction with the construction of nearby Mission San Luis Rey in 1769. Around this time, the hills immediately to the east of the Mission and serving as a natural boundary between coastal and inland lands along the San Luis Rey River were named "El Morro," meaning crown-shaped hill. The region was subsequently included in a large land grant – Ranch Santa Margarita – by Mexico's California Governor Pío Pico to his brother Andrés Pico in the 1840s and

[1] The average home values in 92028 during the five-year report period is based on Zillow analytics (www.zillow.com).

thereafter gradually divided and sold into relatively smaller tracts for agricultural and ranching uses.

Proceeding into the 1900s, County records indicate the present-day Morro Hills CSD jurisdictional boundary remained largely dedicated to agrarian uses with an internal network of private roads/paths having developed leading southeast towards Bonsall or northeast towards Fallbrook. A 1938 road survey shows the County having graded and extended Olive Hill Road south from Fallbrook and providing direct access to the area. Further, by the late 1940s, parcel maps were beginning to be recorded commencing a transition in the area towards residential estates and leading to the initial grading and paving of Del Valle Drive.

Aerial View of Morro Hills (1946)

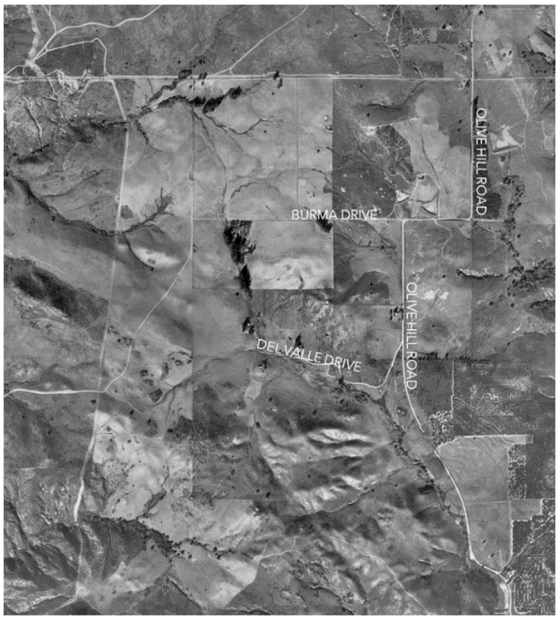


Photo Credit: San Diego LAFCO

Aerial View of Morro Hills (1963)



Photo Credit: San Diego LAFCO

2.2 Formation Proceedings

The formation of Morro Hills CSD was petitioned by a group of landowners and filed with the County Boundary Change Commission – predecessor body to LAFCO oversight – in late 1960. Documents show the petition filing followed discussions with the County and done so to assume responsibility for constructing and maintaining public roads consistent with community needs and with the aid of receiving a portion of local property taxes. Voters approved the formation of Morro Hills CSD as part of a special election on January 17, 1961, by a vote of 27 to 8 with authorization to

provide streets and fire protection services. Voters also approved an initial governing board of Edward Jones, Walter Kottas, Victor Pinkney, Jr., Douglas Schnorr, and William Coover. The effective date of the formation was set as January 25, 1961.

2.3 Notable Post Formation Activities + Events

A summary of notable activities undertaken by Morro Hills CSD and/or affecting the District's service area preceding and following formation in 1961 are provided below.

1970s

LAFCO approves a landowner petition (William B. Renwick) to detach approximately 75 acres from Morro Hills CSD in April 1972. The detachment remains the only boundary change to the District.

LAFCO establishes a coterminous sphere of influence for Morro Hills CSD in November 1984. Supporting documents generated by LAFCO state Morro Hills CSD serves an estimated population of 700.

1980s

A proposal is filed with LAFCO in January 1985 to incorporate Fallbrook and dissolve several overlapping special districts – including Morro Hills CSD. The reorganization is conditionally approved by LAFCO but fails to win majority voter support in June 1986.

Morro Hills CSD contracts with an outside consultant to analyze traffic conditions within the District and available calming measures in 1989. Morro Hills CSD proceeds to contract for new analysis in 2004, 2008, and 2021.

LAFCO updates and affirms Morro Hills CSD's sphere in 2013 with no changes.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

Morro Hills CSD's jurisdictional boundary spans approximately two square miles and covers 1,107 total acres – an amount equal to 0.04% of San Diego County. The jurisdictional boundary is entirely unincorporated and largely characterized by large residential estates intermixed with commercial and non-commercial agriculture. Three-fifths of the jurisdictional boundary is immediately adjacent to Camp Pendelton

or the City of Oceanside. The balance of the jurisdictional boundary is adjacent to the unincorporated communities of Fallbrook and – to a lesser extent – Bonsall and accordingly notionally open to future expansion. All of the jurisdictional boundary is assigned a Fallbrook postal code. The elevation ranges between 372 to 834 feet above sea level with the latter point recorded along San Jacinto Circle West near Solana Real. Other key boundary characteristics follow and are summarized in Table C-3.1.

Physical Footprint…
Morro Hills CSD's jurisdictional boundary spans 1,107 acres and is divided into 417 parcels – all of which are unincorporated with a Fallbrook-assigned postal code. All but 38 parcels totaling 91 acres have been developed and/or improved, albeit not necessarily to the highest density allowed.

- With respect to property tax considerations, the total assessed value (land and structure) within Morro Hills CSD at the end of the reporting period is $0.240 billion. The ending amount translates to a per-acre value ratio of $0.22 million. It also translates to a per capita value of $0.24 million based on the estimated full-time population of 1,001. Overall, Morro Hills CSD receives close to 3.9% of the annual 1.0% of property tax collected in the jurisdictional boundary and resulted in $0.090 million in 2021-2022.

- With respect to development considerations, Morro Hills CSD's jurisdictional boundary at the end of the reporting period is divided into 417 parcels totaling 1,061 acres. (balance involves rights-of-way). Almost all – 99% – of the parcel acreage is under private ownership with nearly nine-tenths having already been developed and/or improved with structures to date, albeit not necessarily at the highest density under zoning. The remaining privately owned lands in Morro Hills CSD are undeveloped and divided by 38 parcels totaling 91 acres.

- With respect to other boundary considerations, none of the acreage within Morro Hills CSD's jurisdictional boundary qualifies as disadvantaged unincorporated community (DUC) lands under current San Diego LAFCO policy. Furthermore, no lands within and immediately adjacent to the jurisdictional boundary qualify as a disadvantaged unincorporated community.

Morro Hills CSD
Jurisdictional Boundary Characteristics
Table C-3.1 | Source: San Diego LAFCO

Total Jurisdictional Size	1,107 acres
Total Jurisdictional Parcels and Acreage (less rights-of-ways, etc.)	417 parcels totaling 1,061 acres
… Publicly Owned Parcels and Acreage	4 parcels totaling 73 acres
… Privately Owned Parcels and Acreage	413 parcels totaling 1,034 acres
… Undeveloped Privately Owned Parcels and Acreage	38 parcels totaling 91 acres
Total Number of Registered Voters	806
Total Assessed Value (Land and Structures)	$0.240 billion

3.2 Sphere of Influence

Morro Hills CSD's sphere of influence was established by LAFCO in November 1984 ahead of a statewide deadline applicable to all local agencies by the Legislature. The sphere was subsequently reviewed and updated by LAFCO in 2007 and 2013 and remains entirely coterminous with the jurisdictional boundary. There are also no special study areas assigned to the sphere. CSD's sphere of influence is shown as part of Map C-1.

No Expansions Telegraphed in Current Sphere Designation…
The Morro Hills CSD sphere of influence was last updated by LAFCO in 2013. The sphere is coterminous with the jurisdictional boundary, and as such reflects a standing expectation by LAFCO to maintain the status quo going forward.

3.3 Boundaries' Relationship to General Plans

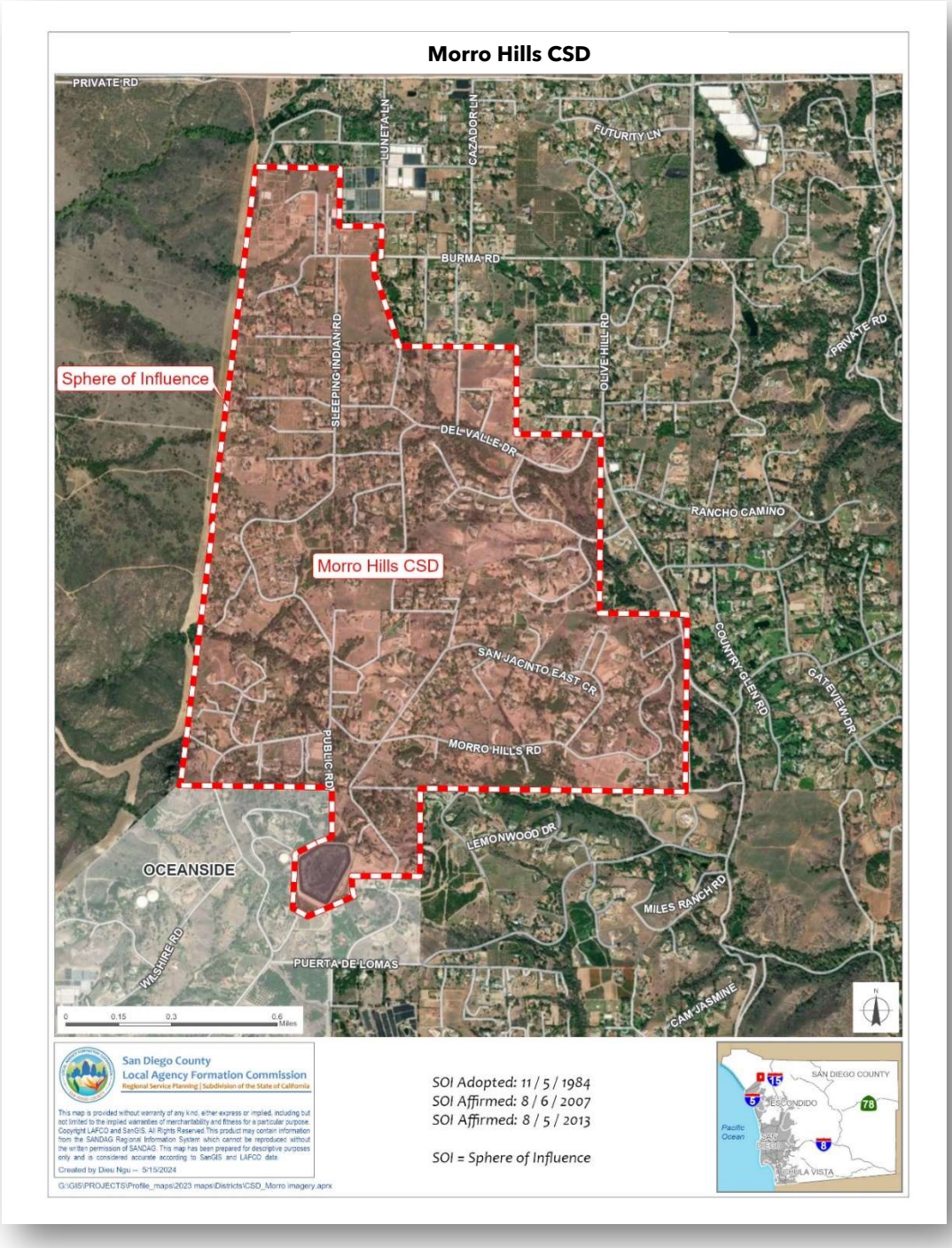
Morro Hills CSD's jurisdictional boundary and sphere of influence lie entirely within the unincorporated area and subject to the County of San Diego's land use policies. The County General Plan was last updated by the Board of Supervisors in August 2011 and designates nearly all land within and adjacent to Morro Hills CSD as Semi-Rural 2 with the remainder – less than 1% of the total – as Agriculture.[2] Similarly, almost all of the lands within and adjacent to the jurisdictional boundary and sphere of influence lie within the Fallbrook Community Plan and are subject to its community-

Relationship to Local General Plans…
All of Morro Hills CSD's jurisdictional boundary and sphere of influence lands are unincorporated with 99% designated by the County of San Diego as Semi-Rural-2. This designation applies to 28% of all unincorporated lands with a density range of 1 dwelling unit for every 2 acres to 1 dwelling unit for every 8 acres depending on slope.

[2] "The Semi-Rural category identifies areas of the County that are appropriate for lower-density residential neighborhoods, recreation areas, agricultural operations, and related commercial uses that support rural communities." LUE, 3-8.

generated visioning policies. This includes an anchoring vision statement to "perpetuate the existing rural charm and village atmosphere surrounded by semi-rural and rural lower density development while accommodating growth."[3]

Map No. C-1



[3] Reference to Fallbrook Community Plan, G-LU-1.1.

3.4 Relationship to College and School District Boundaries

Morro Hills CSD's jurisdictional boundary and sphere of influence lies within four college and school districts: Palomar; Bonsall Unified; Fallbrook Union Elementary; and Fallbrook Union High. A summary of key characteristics follows in Table C-3.4.

Morro Hills CSD
Public College + School Districts Information
Table C-3.4 | Source: Palomar; Bonsall Unified; Fallbrook Union Elementary; and Fallbrook Union High

	Palomar	Bonsall Unified	Fallbrook Union High	Fallbrook Union Elementary
District Type	College	School	School	School
% within Morro Hills CSD	100%	5%	95%	95%
Superintendent	Star Rivera-Lacey	Joseph Clevenger	Ilsa Garza-Gonzalez	Monika Hazel
Grades	N/A	K-12th Grade	9th-12th Grade	K-8th Grade
Campuses	1	5	3	11
Enrollment in FY18	38,332	2,930	2,165	4,864
Enrollment in FY22	27,455	2,209	2,128	4,921
… Change in Enrollment	(28.4%)	(721) or (24.6%)	(37) or (1.7%)	57 or 1.2%
Operating Budget in FY18	$432,712,445	$28,869,316	$29,265,755	$54,964,023
Operating Budget in FY22	$348,247,918	$28,168,787	$34,796,267	$79,739,255
… Change in Budget	(19.5%)	(2.4%)	18.9%	45.1%

4.0 DEMOGRAPHICS

4.1 Population and Housing

Morro Hills CSD's total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 1,001 at the end of the five-year reporting period. This amount represents 0.03% of the countywide population total. (Information is not readily available within the two affected census block groups underlying the jurisdictional boundary to reliably estimate earlier counts within the report period.) The current estimate produces a population density of 0.9 residents for every jurisdictional acre and underlies the overall rural character of the jurisdictional boundary. (For context, the population density for the adjacent City of Oceanside at the end of the reporting period is 6.5 residents for every one acre.)

Relatively Small Population…
It is estimated there are 1,001 fulltime residents in Morro Hills CSD at the end of the reporting period. It is assumed population growth within the CSD will be relatively limited over the report timeframe and increase by 30 – or 6 annually on average – to 1,031 by 2027.

Proceeding forward, and for purposes of this report, LAFCO projects the growth trend will match the recent countywide rate and result in the population in the CSD increasing by 30 to 1,031 by 2027.

Morro Hills CSD
Resident Population
Table C-4.1a | Source: Esri and San Diego LAFCO

Factor	2010 Estimate	2018 Estimate	2022 Estimate	Annual Change	2027 Projection
Morro Hills CSD	n/a	n/a	1,001	n/a	1,031
San Diego County	3,095,305	3,244,893	3,315,082	0.6%	3,414,325

LAFCO separately estimates there are 396 residential housing units within Morro Hills CSD at the term of the five-year reporting period.

Expensive Housing ...
The ending average monthly housing costs (mortgage or rent) within Morro Hills CSD tallies $2,939 and is 49% higher the countywide average. The average housing cost equals 24% of the average monthly household income within the CSD.

With respect to housing characteristics, and based on the most recent five-year average, 70.0% of units are owner-occupied, 22.5% are renter-occupied, and the remaining 7.5% are vacant. The mean monthly housing cost (mortgage or rent payment only) in the CSD at the end of the reporting period is $2,939 and 49.1% above the countywide average of $1,971. This housing cost separately equals 24.1% of the residents' average monthly household income. Additional housing characteristics follow in Table C-4.1b.

Morro Hills CSD
Housing Characteristics
Table C-4.1b | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
2010 Housing Units	n/a	1,164,781
2022 Housing Units	396	1,238,794
… % Change	n/a	6.4%
Monthly Housing Cost (5-year average 2012-2016)	$2,584.46	$1,578.00
Monthly Housing Cost (5-year average 2017-2021)	$2,938.58	$1,971.00
… % Change	13.70%	24.90%

4.2 Age Distribution

The median age of residents in Morro Hills CSD is 43.3 based on the current five-year period average. This amount reflects an overall increase of 19.2% over the prior five-year period and one-fifth higher than the countywide median age of 36.3. Residents in the prime working age group defined as ages 25 to 64 dropped below the one-half mark over the two five-year period averages from 50.9 to 46.9; a difference of (7.8%).

Older and Getting Older…
Residents within Morro Hills CSD tend to be measurably older with a median age of 43.3 relative to the countywide average of 36.3.

Morro Hills CSD
Age Distribution
Table C-4.2 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Median Age (5-year average 2012-2016)	36.3	35.3
Median Age (5-year average 2017-2021)	43.2	36.3
… % Change	19.5%	2.8%
Prime Working Age, 25-64 (5-year average 2012-2016)	50.9%	53.7%
Prime Working Age, 25-64 (5-year average 2017-2021)	46.9%	54.1%
… % Change	(7.8%)	0.7%

4.3 Income Characteristics

The median household income in Morro Hills CSD is $146,289 based on the current five-year period average. This amount shows full-time residents are receiving significantly more money with the median income experiencing an overall increase of more than three-fourths - or 76.2% - from the preceding five-year period average of $83,016. The current median household income in the CSD is also 66% higher than the current countywide median of $88,240. Similarly, the current poverty rate average in Morro Hills CSD is 6.3% and more than one-third below the overall countywide rate of 10.7%.

Expanding Income Prosperity…
The median household income in Morro Hills CSD finished the reporting period at $146,289. This amount represents an increase of nearly three-fourths over the 60 months and is two-thirds higher than the countywide average.

Morro Hills CSD
Income Characteristics
Table C-4.3 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Median Household Income (5-year average 2012-2016)	$83,105	$66,529
Median Household Income (5-year average 2017-2021)	$146,289	$88,240
… % Change	76.2%	32.6%
Resident Poverty Rate (5-year average 2012-2016)	16.5%	14.0%
Resident Poverty Rate (5-year average 2017-2021)	6.7%	10.7%
… % Change	(59.1%)	(23.6%)

4.4 Other Socioeconomic Indicators

Unemployment levels within Morro Hills CSD are minimal at 2.7% based on the current five-year period average. This amount falls more than three-fifths below the countywide average sum of 6.6% and reflects more than a one-half reduction over the prior five-year period average of 3.4%. Other notable measurements include one out of every three residents collecting retirement income at the end of the reporting period and one-half higher than the countywide rate. Education levels within Morro Hills CSD, as measured by four-year college graduates have increased during the reporting period and now account for more than one-half of all residents at 52.3% and correlate to the relatively high median income levels. The non-English speaking percentage of the population remains lower than the county-wide average and decreased during the reporting period from 9.2% to 8.9%.

White-Collar Incomes…
More than one out of every two adults in Morro Hills CSD hold four-year college degrees at the end of the reporting period. This ratio paired with the high median home income suggests CSD residents hold professional positions.

Morro Hills CSD
Other Socioeconomic Indicators
Table 4.4 | Source: Esri and San Diego LAFCO

Factor	Morro Hills CSD	San Diego County
Unemployment Rate (5-year average 2012-2016)	3.4%	7.8%
Unemployment Rate (5-year average 2017-2021)	2.7%	6.6%
… % Change	(19.7%)	(15.4%)
Collecting Retirement (5-year average 2012-2016)	26.7%	17.7%
Collecting Retirement (5-year average 2017-2021)	31.4%	21.2%
… % Change	17.0%	19.8%
Non-English First Language (5-year average 2012-2016)	9.2%	15.0%
Non-English First Language (5-year average 2017-2021)	8.9%	13.1%
… % Change	(3.4%)	(12.6%)
Adults with Four-Year Degrees (5-year average 2012-2016)	39.7%	36.5%
Adults with Four-Year Degrees (5-year average 2017-2021)	52.3%	40.3%
… % Change	31.8%	10.4%

4.5 Homeless Estimates

No information exists with respect to homeless counts within Morro Hills CSD.

4.6 Environmental Justice

Consideration of environmental justice draws on LAFCO staff analyzing data made available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Almost all of the Morro Hills CSD jurisdictional boundary lies within one census tract (6076218611) and has been reviewed in assessing the significance of pollution burdens (exposures and environmental effects) and at-risk population characteristics (sensitive populations and socioeconomic factors) relative to all census tracts in California. Key results are summarized below and further detailed in Table C-4.6.

> **Pollution Burdens + At Risk Factors..**
> LAFCO's consideration of environmental justice factors in Morro Hills CSD draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

- Morro Hills CSD's composite **pollution burden** ranking falls in the 52nd percentile relative to the rest of California. Five of the 13 tracked pollution burdens exceed the 66th percentile and are considered significant. These significant burdens are divided between two exposures (pesticides and drinking water containments) and three effects (cleanup sites, impaired water bodies, and solid waste sites). Additional details are footnoted.[4]

- Morro Hills CSD's composite **at-risk population** ranking falls in the 20th percentile relative to the rest of California. None of the eight tracked at-risk population categories exceed the 66th percentile and are considered significant.

[4] Pesticide exposures within the census tract ranks in the 97th percentile and sourced to common uses of all of the following chemicals: chloropicrin; metam-sodium; chlorothalonil; 1,3-dichloropropene; and potassium n-methyldithiocarbamate. Drinking water containments within the census tract ranks in the 71st percentile and sourced to elevated testing for 1,2,3 trichloropropane and total coliform. Cleanup sites within the census tract ranks in the 69th percentile with four located within the tract and associated with the Naval Weapons Facility. Impaired water bodies within the census tract ranks in the 67th percentile and sourced to four lying within or adjacent to the tract. Solid waste sites within the census tract ranks in the 64th percentile and sourced to two locations within the tract – both of which lies south of the CSD boundary.

Morro Hills CSD + Surrounding Lands
Pollution Burdens and Susceptible Population
Table C-4.6 | Source: California Environmental Protection Agency and SD LAFCO

Factor	Morro Hills CSD + Surrounding Lands
No. of Census Tracts	1
Pollution Burden	**Weighted Percentile**
… Comparative Percentile	52
Exposures | Air Quality - Ozone	45
Exposures | Air Quality - Fine Particulate Matter:	23
Exposures | Air Quality - Diesel Particulate Matter:	44
Exposures | Pesticide Uses:	**97**
Exposures | Toxic Releases:	13
Exposures | Traffic Impacts:	28
Exposures | Drinking Water Contaminants:	**71**
Exposures | Lead Risk in Housing:	13
Effects | Cleanup Sites:	**69**
Effects | Groundwater Threats:	31
Effects | Hazardous Waste:	3
Effects | Impaired Water Bodies:	**67**
Effects | Solid Waste Sites and Facilities:	**64**
Sensitive Population	**Weighted Percentile**
… Comparative Percentile	20
Sensitive Population | Asthma:	6
Sensitive Population | Low Birth Weight:	47
Sensitive Population | Cardiovascular Disease:	11
Socioeconomic Factor | Education:	48
Socioeconomic Factor | Linguistic Isolation:	27
Socioeconomic Factor | Poverty:	29
Socioeconomic Factor | Unemployment:	54
Socioeconomic Factor | Housing Burden:	40

5.0 ORGANIZATION

5.1 Governance

Morro Hills CSD operates as an independent special district under Division 3 of California's Government Code (Sections 61000 to 61250). The principal act – Community Services District Act – was established by the Legislature in 1951 to provide local communities the ability to provide a full range of municipal services within a developed or developing area and commonly as an alternative and/or placeholder to incorporation. The only municipal service limitation on CSDs involves the prohibition of directly providing a community development function (i.e., land use). CSDs may include incorporated and/or unincorporated territory as well as comprise either contiguous or non-contiguous territory. CSDs may also include one or more zones.

Morro Hills CSD is currently authorized by LAFCO to provide one municipal function – streets – along with several ancillary classes involving culverts, drains, curbs, gutters, and sidewalks. All other service functions empowered under the principal act are categorized as latent and would require formal LAFCO approval to activate. A listing of all latent powers is detailed in Section 61100 and summarized in the footnote.[5]

Morro Hills CSD
Authorized Functions and Ancillary Classes
Table C-5.1a | Source: SD LAFCO + Community Service District Law

Function	Ancillary Classes
Streets	Acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works.

Consistent with its principal act, Morro Hills CSD is governed by a five-member at-large Board of Directors. Each director must be a registered voter within the CSD and subject to standard conflict of interest protections. Members are elected and/or appointed in place of contested elections to staggered four-year terms. Appointments to fill vacancies are also authorized to the Board to make within 60 days. (Should the CSD fail to act within 60 days the appointment authority goes to the Board of Supervisors.) The Board meets quarterly at a community non-profit (Fallbrook Land Conservancy) located outside the jurisdictional boundary at 1815 Stagecoach Lane in Fallbrook. Directors are volunteers and receive no compensation. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board and their respective backgrounds and service years follows.

Morro Hills CSD
Current Board Roster
Table C-5.1b | Source: Morro Hills CSD

Member	Position	Years on Board	Background
Thomas Harrington	President	25	Land Surveyor - Real Estate
Patrick Meehan	Director	2	Accounting
Jeanine Roskos	Director	1	Mortgage Banking
Bill Weber	Director	1	Construction
Charlene Weber	Director	1	Construction
			Average Experience: 6.0 Years

[5] CSDs are empowered under the principal act – and subject to LAFCO authorization – to provide all of the following municipal functions: water; wastewater; recycled water; solid waste; fire protection and emergency medical; ambulance; parks and open space; community recreation; street lighting; landscaping; vector control; police protection; security; library; streets; electric and communication conversions; airports; transportation; graffiti abatement; flood control; community facilities; weed abatement; hydroelectric power; television translators; snow removal; animal and pest control; public mailboxes; mail delivery; cemeteries; habitat mitigation; broadband facilities; and finance operations of area planning commissions and municipal advisory councils.

5.2 Administration

Morro Hills CSD does not have any employees. Board members perform most administrative activities – including overseeing contractors provide project-specific street functions. CSD contracts with legal services as needed. CSD has no offices.

6.0 MUNICIPAL SERVICES

Morro Hills CSD currently provides one active municipal function categorized as "streets" with several ancillary classes. A summary analysis of this lone active service function and the ancillary classes follows with respect to capacities, demands, and performance during the five-year reporting period.

6.1 Streets Function + Related Classes

Morro Hills CSD's street function commenced at the time of its formation in 1961. Initial actions involved taking ownership of most – but not all – of the existing roads that had been built within the jurisdictional boundary from the County of San Diego. CSD proceeded over the next several years to construct additional roads – comprising both new and extensions – and related drainage facilities with most of the funding sourced to governmental grants. CSD's focus since the early 1970s has been to maintain the existing road network as needed via patching, paving, repairing berms, tree trimming, signage, and culvert cleaning. CSD also informs its roadway activities by preparing periodical traffic assessments.

Just Streets...
Morro Hills CSD's street function and ancillary classes serve as the agency's only municipal activity. Primary tasks under this function anchor to maintain a 6.0-mile roadway network and involve performing routine paving, patching, and signage upkeep. CSD also periodically prepares traffic assessments to help inform calming measures.

Resources, Capacities + Demands

Morro Hills CSD's street function operates as a non-enterprise function and is dependent on all-purpose revenues given the deliverables (i.e., roads) do not readily tie to collecting user fees. Morro Hills CSD's allocation of the 1% generated in property taxes serves as the dominant resource in funding the streets function and relatedly helps define capacity limitations. The average annual property tax monies collected over the reporting period have been $0.091 million and equal 99.0% of all revenues received with the balance largely involving interest earnings.

With respect to available capacities at the end of the reporting period, Morros Hills CSD's street function is anchored by a roadway system spanning approximately 6.0 (5.96) miles. The roadway system is divided between primary and secondary designations; the former involves two-way roads that continue and/or connect beyond the CSD boundary with relatively high usages while the latter involves two-way roads exclusive to the CSD boundary with relatively low usages. Posted speed limits range between 25 and 45 miles per hour. Additional details follow in Table C-6.1a.

Morro Hills CSD
Street Function: Roadway System
Table C-6.1a | Source: Morro Hills CSD

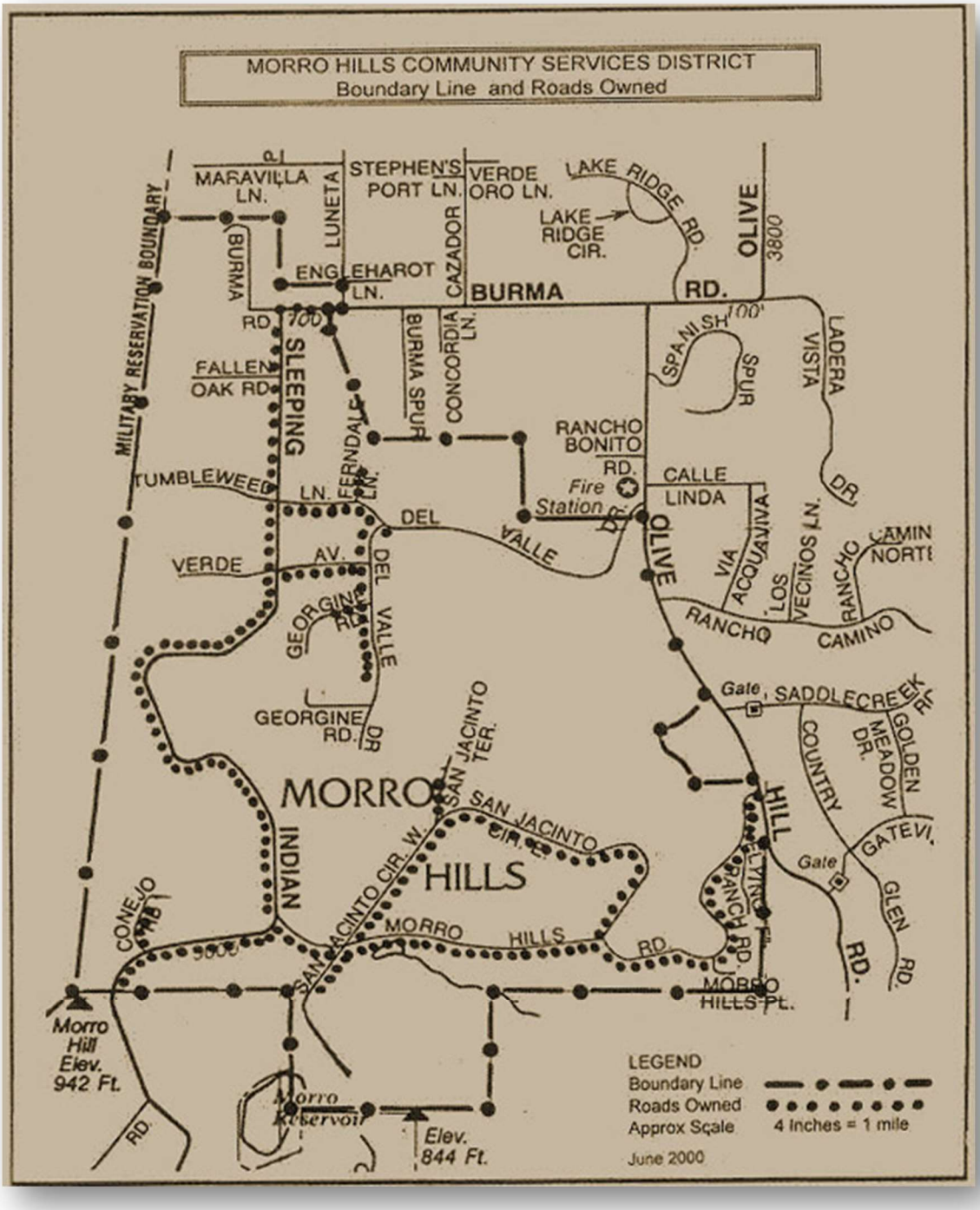
Type	Roadways	Length (miles)
Primary Roads	Sleeping Indian Road - *Oceanside border to Burma Road…*	2.09
	Morro Hills Road - *Sleeping Indian Road to Olive Hills Road*	1.40
	Burma Road - *Sleeping Indian Road to CSD boundary*	0.13
Secondary Roads	Tumbleweed Lane - *Sleeping Indian Road to CSD boundary*	0.25
	Del Valle Drive - *Tumbleweed Lane to the terminus*	0.35
	Verde Drive - Sleeping Indian Road to Del Valle Drive	0.19
	Georgine Road - *Del Valle Drive to terminus*	0.11
	Conejo Road - *Sleeping Indian Road to the terminus*	0.17
	San Jacinto Circle - *Morro Hills Road to the terminus*	1.16
	San Jacinto Terrace - *San Jacinto Circle to the terminus*	0.11
		Total: 5.98

LAFCO estimates the remaining roadways in the CSD total 8.81 miles. Ownership of these remaining roads (i.e., County or private) is not readily available.

Morro Hills CSD's roadway system is solely maintained by outside contractors. The current vendor is Peters Pavers and Grading (Temecula). Improvements and/or non-emergency repairs are considered by the Board annually as part of its budget process. An encroachment permit is required for any landowner activity requiring disturbing the public roadway system. Improvements are inspected before issuance, during construction, and after completion to assure compliance with CSD standards. CSD estimates the average demand for permits during the reporting period is two per year.

Morro Hills CSD's roadway system is illustrated as part of Map No. C-2.

Map No. C-2


MORRO HILLS COMMUNITY SERVICES DISTRICT
Boundary Line and Roads Owned
MARAVILLA LN.
STEPHEN'S PORT LN.
VERDE ORO LN.
LAKE RIDGE RD.
LAKE RIDGE CIR.
OLIVE
3800
LUNETA
CAZADOR
BURMA
RD.
ENGLEHAROT LN.
MILITARY RESERVATION BOUNDARY
FALLEN OAK RD.
SLEEPING
FERNDALE LN.
BURMA SPUR
CONCORDIA LN.
SPANISH SPUR
LADERA VISTA DR.
RANCHO BONITO RD.
Fire Station
CALLE LINDA
TUMBLEWEED LN.
DEL VALLE DR.
VERDE AV.
GEORGINE RD.
VIA ACUARIVA
LOS VECINOS LN.
RANCHO CAMINO
CAMINO NORTE
Gate
SADDLECREEK DR.
GOLDEN MEADOW DR.
COUNTRY
GATEVIEW
GLEN RD.
SAN JACINTO TER.
SAN JACINTO CIR.
MORRO HILLS
INDIAN
CONEJO RD.
SAN JACINTO CIR. W.
MORRO HILLS RD.
MORRO HILLS Pt.
Morro Hill Elev. 942 Ft.
Morro Reservoir
Elev. 844 Ft.
LEGEND
Boundary Line
Roads Owned
Approx Scale
4 Inches = 1 mile
June 2000

With respect to demands, the most recent traffic evaluation performed for Morro Hills CSD was completed near the end of the reporting period in August 2021 by The Perfect Solution (Mesa, Arizona). The 2021 evaluation follows earlier studies performed in 1989, 2004, and 2008 and similarly covers all three primary roads within the CSD – Sleeping Indian, Morro Hills, and Burma – as well as one secondary road, Tumbleweed Lane. The 2021 evaluation quantifies both traffic volumes and speeds for purposes of informing potential changes and/or enhancements to the roadway system. Notable takeaways from the 2021 evaluation are summarized below and further detailed in Table C-6.1b.

- Total average daily traffic volume measured at the three primary access points to the Morro Hills CSD community peaked in 2004 and has continued to level off in each of the subsequent counts performed in 2008 and 2021.

- Compared to the preceding evaluation in 2008, the average daily vehicle trips at the same three primary access points in 2021 have collectively decreased overall by (9.5%).

- Overall average daily traffic volume measured at the three access points to the Morro Hills CSD community generates 2,504 trips. The division of this daily trip total to the estimated number of residential units – 396 (2021) – produces an average per day household trip generation of 6.3, which is below the industry standard planning assumption of 9.4 trips.[6]

Morro Hills CSD
Average Daily Vehicle Counts at Primary Access Points
Table 6.1b | Source: Morro Hills CSD

Year	Sleeping Indian Road *@ Morro Hills + Lower Springs*	Morro Hills Road *@ San Jacinto Circle W + E*	Burma Road *@ Sleeping Indian + Fallen Oak*
1989	900	330	800
2004	1,350	480	1,150
2008	1,128	438	*1,201
2021	1,054	405	1,045
Average	1,108	413	1,049
Trend (all)	17.1%	22.7%	30.6%
Trend (04-21)	(21.9%)	(15.6%)	(9.1%)

* A substitute traffic count is used involving station to the immediate south at Sleeping Indian Rd +Tumbleweed Ln

[6] Reference to the Institute of Traffic Engineers (ITE) Trip Generation Manual (10th Edition).

As detailed above, the most recent average daily traffic volume observed at the three access points to the Morro Hills CSD community tallies 2,504 vehicle trips (2021). This translates to a daily trip generator of 5.1 based only on existing development (single-family, commercial agriculture, etc.) in the CSD. This ratio falls substantively below industry planning assumptions that suggest the daily trip count should tally 8.6.[7] It is reasonable to assume this deviation means a limited amount of traffic volume in the CSD can be attributed to outside travelers.

Internal Demands...
Measured traffic relative to existing land uses in Morro Hills CSD suggests only a small portion of daily trips are attributed to outside travelers.

Performance Measurements

Morros Hills CSD's roadway network has remained relatively fixed since the mid-1960s with no current plans to expand in the near term. The Board's focus over the last several decades and through the five-year reporting period has been to maintain existing service levels with an increasing emphasis on traffic safety and calming measures. These latter efforts are marked by periodically contracting with traffic engineers to prepare assessments on traffic volume and speed conditions within the CSD. The last two assessments were prepared in 2008 and 2021. A summary of the recommendations in both assessments paired with status with the CSD follows.

Morro Hills CSD:
Recent + Current Traffic Assessments
Table 6.1c | Source: Morro Hills CSD

Year	Consultant Recommendations	Status
2008	1. The speed limit along Sleeping Indian Road should be reset from 35 to 45 mph.	*Incomplete*
	2. The speed limit along Morro Hills Road should be set to 30 mph.	Complete
	3. The 35 mph sign located along the west side of Sleeping Indian Road just south of Burma Road should be removed and replaced with a 45 mph sign.	*Incomplete*
	4. The 35 mph sign located along the north side of Sleeping Indian Road just west of Conejo Road should be removed and replace with a 45 mph sign.	*Incomplete*
2021 (Primary)	1. A newsletter should be prepared for circulation throughout the CSD to briefly summarize the findings of the recent speed counts and identify the roadway segments of concern along with telegraphing potential calming measures.	Complete
	2. Speed limits should be posted at all entry points.	Complete
	3. Remove the stop sign for northbound Sleeping Indian Road at Burma Road.	*Incomplete*
	4. Add two curve warning signs to northbound Sleeping Indian as it approaches Burma Road.	Complete
	5. Narrow all travel lanes to a width of 10 feet except where the total pavement width is less than 20 feet. Those lane widths could be a minimum of 9.5 feet to ensure an edge line is visible.	Complete
	6. Restripe the double-yellow centerline through the intersection of Sleeping Indian Road and Burma Road, northbound to eastbound.	Complete
	7. Remove all vegetation within 100 feet on the approach to driveways, intersections, and traffic signs. Vegetation should also be removed 20 feet past every driveway, intersection, + signs.	*Incomplete*
	8. All Stop Bars within the community should be 12 inches wide.	Complete

[7] Based on LAFCO's calculation of notional trip demands using the ITE standards and applying to existing land uses in the CSD.

As reflected in Table 6.1c, three of the four recommendations from the 2008 traffic assessment remain incomplete. All three tie to raising the speed limit on Sleeping Indian Road from 35 to 45 mph consistent with the observed 85th percentile of otherwise free-flowing travel consistent with California Vehicle Code regulations. (The actual 85th percentile tallied 49 mph, which was reduced to 45 mph in the final recommendation given limited shoulders and no sidewalks on Sleeping Indian Road.) The most recent traffic assessment performed in 2021 shows the observed 85th percentile of free-flowing traffic on Sleeping Indian Road at 59 mph. The 2021 assessment, however, misreports the speed limit on Sleeping Indian Road at 45 mph while concurrently downplaying the results of their own observed free-flow travel as anomalies and/or theorizing drivers may have been purposefully skewing the results by speeding. This leads the 2021 assessment to recommend a series of traffic calming measures rather than proceeding with the more notional approach in the Vehicle Code to raise the speed limit to 55 mph consistent with the observed 85th percentile.

> A long-standing omission persists involving Morro Hills CSD's most traveled street – Sleeping Indian Road – given the 35 mph limit is substantively lower than the California Vehicle Code would otherwise support. It would be prudent for CSD to revisit the speed limit to help ensure it is fairly set to the 85th percentile standard and contributes – and does not undermine – safe driving conditions in the service area.

7.0 FINANCES

7.1 Budget and Actuals

LAFCO staff requested but did not receive copies of budget materials or quarterly financial reports covering the five-year reporting period from Morro Hills CSD. These materials are also not available on the CSD website.

7.2 Fund Balance

Morro Hills CSD's fund balance at the end of the five-year report period tallies $0.267 million. This amount represents the unassigned cash available to the CSD for any purposes and finishes nearly one-fifth above the annual ending fund balance average of $0.181 million generated over the prior four-year period in which information is readily available. The combination of the two amounts reflects an upward trend over the corresponding 48 months of 87.1%. The average annual ending

> **Sizing the Fund Balance Up…**
> Morro Hills CSD finished the five-year report period with an unassigned fund balance of $0.267 million, sufficient to cover 134 months of recent actual costs.

fund balance is separately sufficient to cover 40.9 months of the average operating expense incurred over the same period. The ending fund balances relative to covering equivalent monthly operating expenses follows in Table C-7.2a.

Morro Hills CSD
Unassigned Fund Balance + Monthly Coverage Equivalents
Table C-7.2a | Source: Morro Hills CSD (ACFRs, FY19 to FY22) + SD LAFCO

Category	2018	2019	2020	2021	2022	Average*	Trend*
Ending Fund Balance	n/a	142,621	118,853	194,282	266,849	180,651	87.1%
… Actual Operating Costs	n/a	32,174	138,040	17,764	23,843	52,955	(25.9%)
… Equivalent Months Covered	n/a	53.2	10.3	131.2	134.3	40.9	152.5%

*Abbreviated to 4-Year Sums

7.3 Financial Statements

Morro Hills CSD contracts with an outside accounting firm to prepare an annual report to review the agency's financial statements under established governmental accounting standards. All outside audits prepared during the five-year report period have been performed by Nigro & Nigro (Murrieta). CSD's most recent audited financial statements covers 2021-2022 and were completed on July 31, 2022. These statements show the CSD experienced a moderate to sizable improvement over the prior fiscal year as the overall net position covering all activities and related associations increased by 7.4% from $0.539 million to $0.579 million. The accompanying letter from the outside auditor to the CSD Board did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends follows for assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2022)
amounts in millions

Assets	$0.579
Liabilities	$0.0
Deferred Outflow/Inflow	$0.0
Net Position	**$0.579**

Agency Assets

CSD's audited overall assets at the end of the reporting period totals $0.579 million. This amount is 12.1% higher than the average ending amount of $0.509 million documented during each of the five report years and underlies the one-quarter plus upward trend generated during the period. Assets classified as current with the expectation they could be liquidated within a year tally $0.267 million – or 46.1% of the total – and

Assets Gradually Rising …
CSD's assets have increased by 27% during the five-year report period from $0.454 to $0.579 million with the change largely tied to expanding cash and investment holdings. The per capita value of total assets at the end of the reporting period is $578.

predominately tie to cash and investments. This latter category underlies the overall increase in assets having risen by nearly two-fold – or 162.0%. Assets classified as non-current make up the remainder of the overall total at $0.312 million and entirely consist of capital assets classified as "road improvements." Specific year-end asset totals for CSD are shown below in Table C-7.3a.

Morro Hills CSD
Audited Assets
Table C-7.3a | Source: CSD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	112,318	165,350	118,978	194,457	266,849	171,590	137.6
Non-Current	342,318	305,476	383,279	344,334	312,061	337,494	(8.8)
Total (millions)	**$0.455**	**$0.471**	**$0.502**	**$0.539**	**$0.579**	**$0.509**	**27.3%**
Per Capita Value	433.81	456.23	529.81	557.18	578.33	509.56	33.3

Agency Liabilities

CSD finished the reporting period without having booked any year-end liabilities during any of the five years. This includes – among other things – CSD finishing each year without any due accounts payable, bonds payable, pension or post-employment liabilities, compensated absences, claims, or leases.

Morro Hills CSD
Audited Liabilities
Table B-7.3b | Source: CSD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Current	0.0	0.0	0.0	0.0	0.0	-	-
Non-Current	0.0	0.0	0.0	0.0	0.0	-	-
Total (millions)	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**-**	**-**
Per Capita Value	0.0	0.0	0.0	0.0	0.0	-	-

Net Position

CSD's overall audited net position at the end of the reporting period totals $0.579 million and represents the difference between total assets and total liabilities along with adjusting for deferred resources, if applicable. This most recent year-end amount lies 13.7% above the average year-end sum of $0.509 million generated during the five-year report period

Net Worth on Paper…
CSD's audited net position mirrors asset holdings and has increased during the five-year report period by more than one-fourth from $0.454 million to $0.579 million.

and underlies the upward and improving trend. The net position is divided nearly equally between capital assets at $0.312 million and unrestricted assets at $0.267 million. Specific year-end net position totals are shown below in Table C-7.3c.

Morro Hills CSD
Net Position
Table C-7.3c | Source: CSD ACFRs + SDLAFCO

Category	2018	2019	2020	2021	2022	Average	Trend
Restricted	-	-	-	-	-	-	-
Unrestricted	112,318	165,350	118,978	194,457	266,849	171,590	137.6
Capital Assets	342,318	305,476	383,279	344,334	312,061	337,494	(8.8)
Total (millions)	**$0.455**	**$0.471**	**$0.502**	**$0.539**	**$0.579**	**$0.509**	**27.3%**
Per Capita Value	433.81	456.23	529.81	557.18	578.33	509.56	33.3

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

Analysis of the standard fiscal measurement categories – liquidity, capital margin, and asset management – regarding Morro Hills CSD has limited value given the agency's relatively stagnant fiscal activity during the five-year report period with one exception. This exception involves considering the CSD's total margin ratios over the reporting period and its value as a bottom-line accounting measurement. CSD's overall average total margin during the reporting period has been 39.2%; i.e., the agency has collected $1.39 in total revenue for every $1.00 total expense over each of the five years. Positive total margins were achieved in four of the five years with an ending tallying of 75.2%. The overall trend covering the reporting period is 168.2%.

7.5 Pension Obligations

None.

7.6 Other Post-Employment Benefit Obligations

None.

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6b

AGENDA REPORT
Public Hearing | Action

August 5, 2024

TO: Commissioners

FROM: Alternate Public Member Recruitment Committee
- Chair Stephen Whitburn
- Vice Chair Barry Willis
- Commissioner Dane White

SUBJECT: **Appointment of an Alternate Public Member and Related Actions**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a recommendation from its Alternate Public Member Recruitment Committee (Whitburn, Willis, and White) to fill an unexpired term through April 2027. The recommendation follows the Commission's action in March to create and task the Committee to conduct an open recruitment to fill the alternate seat following the promotion of Commissioner Mathis to the regular seat. Eight candidates have been considered by the Committee with two receiving invitations to interview. Drawing from this process, the Committee unanimously recommends the Commission appoint Bridgette Browning. A successful appointment requires a majority vote among the other four membership categories (County of San Diego, City of San Diego, cities, and special districts) with at least one affirmative vote from each category. It is also recommended the Commission formally dissolve the Committee.

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Krista Becker, City of Solana Beach
Dane White, City of Escondido
John McCann, Alt., City of Chula Vista
Chair Stephen Whitburn, City of San Diego
Marni von Wilpert, Alt., City of San Diego
Vice Chair Barry Willis, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Vacant, Alt., General Public

BACKGROUND

Membership Composition

San Diego LAFCO's membership is prescribed under State law to include 13 appointed Commissioners. The Commissioners are divided into five distinct categories – County of San Diego, cities less City of San Diego, City of San Diego, special districts, and the general public – and further distinguished between regular and alternate members. Only the public member category and its regular and alternate appointees are made by LAFCO; the appointments for the other four categories are externally determined under the statute.

Membership Terms

All terms are four years and commence on the first Monday in May in the affected year. There are no term limits involving LAFCO appointments in statute or under local policy.

Alternate Public Member Vacancy + Commission Action Creating an Ad Hoc Committee

San Diego LAFCO's alternate public member position became vacant on March 4, 2024 when the Commission appointed Harry Mathis to the regular seat following the resignation of Andy Vanderlaan.[1] Commissioner Mathis' appointment to the regular seat left the alternate seat open with an unexpired term running through April 2027.

The Commission took separate action on March 4th to create the Alternate Public Member Recruitment Committee consisting of Chair Whitburn, Vice Chair Willis, and Commissioner White. The Commission also authorized the Committee with discretion to recruit and advance one or more candidates for formal consideration at a future meeting.

DISCUSSION

This item is for San Diego LAFCO to consider the recommendation of the Alternate Public Member Recruitment Committee to appoint Bridgette Browning to the open term. The recommendation follows the Committee conducting an open recruitment beginning with posting announcements online and publishing in local newspapers inviting candidates to submit letters of interest by June 10th. A total of eight candidates applied by the deadline with one candidate voluntarily withdrawing. The seven remaining candidates were directly screened by the Committee with two receiving invitations to interview on July 24th. The Committee proceeded to interview one of the two final candidates – Bridgette Browning – with the other candidate canceling immediately prior due to a personal emergency. Given the strength of the candidate and their interview, the Committee agreed to proceed with advancing Ms. Browning to the full Commission as their unanimous recommendation.

1 Mr. Vanderlaan served on the Commission since 1996 with the current four-year term extending through April 2025.

ANALYSIS

San Diego LAFCO has broad discretion in statute and policy in appointing a public member – regular or alternate. Statute only requires the appointment to follow notice to local agencies, the appointee be a resident of San Diego County, the appointee not be an employee or officer of a member agency (i.e., the County, cities, or special districts), and an affirmative vote is achieved by all appointing categories on the Commission. The Commission relatedly provided full discretion to the Committee to recruit, screen, interview, and recommend one or more candidates for Commission consideration at a future hearing.

As tasked, the Committee has performed an approximate four-month recruitment process with the assistance of the Assistant Executive Officer resulting in consideration of seven otherwise exceptionally qualified candidates. The Committee is unanimous in recommending Bridgette Browning based – and among other attributes – on her established and extensive ties throughout San Diego County and professional accomplishments as an executive of one of the largest labor organizations in California. A copy of Ms. Browning's letter of interest and professional resume is provided as Attachment One.

RECOMMENDATION

It is recommended San Diego LAFCO take affirmative action on the Committee's recommendation to appoint Bridgette Browning as the alternate public member. This recommendation is consistent with Alternative One provided in the proceeding section.

ALTERNATIVES FOR ACTION

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

Alternative One:
(a) Appoint Bridgette Browning as the alternate public member to an existing four-year term commencing immediately and terming on the first Monday of April 2027.

(b) Dissolve the Committee.

Alternative Two:
Continue the item and provide direction to the Committee as needed.

PROCEDURES

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

1) Disclose any material ex-parte communications.
2) Receive verbal presentation unless waived.
2) Open the hearing and invite public testimony.
3) Discuss the item and consider the recommendation or alternatives.

On behalf of the Committee,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1) Public Announcement in UT Inviting Applications
2) Public Notice of Intent to Appoint Alternate Public Member
3) Recommended Candidate's Letter of Interest and Resume – Bridgette Browning

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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

NOTICE OF VACANCY & CALL FOR APPLICATIONS

ALTERNATE PUBLIC MEMBER

The San Diego County Local Agency Formation Commission ("LAFCO") welcomes all interested residents in San Diego County to apply for the alternate public member position with an expired term running through April 2027. The position – which is one of 13 seats on the LAFCO Commission – is currently vacant with the most recent incumbent now serving as the appointed regular public member. The position holder is expected to attend all regular monthly meetings and actively contribute to the Commission's deliberations in meeting the Legislature's prescribed regional growth management tasks. Most commonly, this includes overseeing local cities and special districts' boundaries and municipal service areas as well as preparing periodic studies to assess their performance relative to community needs. The alternate public member also votes whenever the regular member is excused or abstains. All Commissioners receive a per diem for each regular and special meeting attended, which is expected to increase to $291 starting July 1, 2024.

All interested candidates who are residents of San Diego County and not employees or officers of cities or special districts should submit a brief cover letter summarizing their interest and qualifications in serving as the alternate public member along with a resume. These materials should be e-mailed to Assistant Executive Officer Priscilla Mumpower at priscilla.mumpower@sdcounty.ca.gov no later than June 10, 2024. All candidate applications received by this date will be transmitted and screened by an Ad Hoc Committee comprising three members of the Commission. No more than four candidates will be selected for interview by the Ad Hoc Committee. The Ad Hoc Committee will then proceed to invite no less than two finalist candidates to be interviewed by the full Commission at a noticed hearing with a formal selection to follow.

Additional information about LAFCO and the role of the Commission is available online at www.sdlafco.org. Interested candidates are also invited to discuss the position with Priscilla Mumpower either by email or telephone at (619) 321-3380.

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Vacant, Alt.
General Public

The San Diego Union-Tribune

5290929

LOCAL AGENCY FORMATION COMMISSION (LAFCO)
2550 FIFTH AVESTE 725
SAN DIEGO, CA 92103

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA
County of San Diego

The Undersigned, declares under penalty of perjury under the laws of the State of California: That he/she is the resident of the County of San Diego. That he/she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that he/she is not a party to, nor interested in the above-entitled matter; that he/she is Chief Clerk for the publisher of
The San Diego Union-Tribune
a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instruction of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/12/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Executed at San Diego, California, on this 13th day of May, 2024.

CGaza
Signature

Legal No. **0011668055**

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

NOTICE OF VACANCY & CALL FOR APPLICATIONS

ALTERNATE PUBLIC MEMBER

The San Diego County Local Agency Formation Commission ("LAFCO") welcomes all interested residents in San Diego County to apply for the alternate public member position with an expired term running through April 2027. The position – which is one of 13 seats on the LAFCO Commission – is currently vacant with the most recent incumbent now serving as the appointed regular public member. The position holder is expected to attend all regular monthly meetings and actively contribute to the Commission's deliberations in meeting the Legislature's prescribed regional growth management tasks. Most commonly, this includes overseeing local cities and special districts' boundaries and municipal service areas as well as preparing periodic studies to assess their performance relative to community needs. The alternate public member also votes whenever the regular member is excused or abstains. All Commissioners receive a per diem for each regular and special meeting attended, which is expected to increase to $291 starting July 1, 2024.

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PUBLISHED: May 12, 2024
(SDUT 11668055)

The San Diego Union-Tribune

5290929

LOCAL AGENCY FORMATION COMMISSION (LAFCO)
2550 FIFTH AVESTE 725
SAN DIEGO, CA 92103

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA
County of San Diego

The Undersigned, declares under penalty of perjury under the laws of the State of California: That he/she is the resident of the County of San Diego. That he/she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that he/she is not a party to, nor interested in the above-entitled matter; that he/she is Chief Clerk for the publisher of
The San Diego Union-Tribune
a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instruction of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/19/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Executed at San Diego, California, on this 20th day of May, 2024.

CGaza
Signature

Legal No. **0011668061**

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

NOTICE OF VACANCY & CALL FOR APPLICATIONS

ALTERNATE PUBLIC MEMBER

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Additional information about LAFCO and the role of the Commission is available online at www.sdlafco.org. Interested candidates are also invited to discuss the position with Priscilla Mumpower either by email or telephone at (619) 321-3380.

PUBLISHED: May 19, 2024
(SDUT 11668061)

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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

Notice is given the San Diego County Local Agency Formation Commission ("LAFCO") will hold a public meeting on **Monday, August 5, 2024 starting at 8:00 a.m.** at the County of San Diego Administration Center at 1600 Pacific Highway, Board Room 302, San Diego, California. At the public meeting, LAFCO will consider the following public hearing matter:

NOTICE ON ALTERNATE PUBLIC MEMBER APPOINTMENT

LAFCO will interview and consider candidates at its Monday, August 5, 2024 meeting with respect to making a new Alternate Public Member appointment to serve the remainder of an unexpired term set to expire in April 2027. The position – which is one of 13 seats on the LAFCO Commission – is currently vacant with the most recent incumbent now serving as the appointed regular public member. The position holder is expected to attend all regular monthly meetings and actively contribute to the Commission's deliberations in meeting the Legislature's prescribed regional growth management tasks. Most commonly, this includes overseeing local cities and special districts' boundaries and municipal service areas as well as preparing periodic studies to assess their performance relative to community needs. The alternate public member also votes whenever the regular member is excused or abstains. All Commissioners receive a per diem of $291 for each regular and special meeting attended.

An agenda report on this item will be posted online at www.sdlafco.org approximately one week ahead of the noticed meeting. Comments on this item are welcomed and should be submitted no later than Friday, August 2nd to Commission Clerk Erica Sellen by email erica.sellen@sdcounty.ca.gov or telephone at (619) 321-3380.

PUBLISHED: July 16, 2024

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The San Diego Union-Tribune

5290929

LOCAL AGENCY FORMATION COMMISSION (LAFCO)
2550 FIFTH AVESTE 725
SAN DIEGO, CA 92103

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA
County of San Diego

The Undersigned, declares under penalty of perjury under the laws of the State of California: That he/she is the resident of the County of San Diego. That he/she is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that he/she is not a party to, nor interested in the above-entitled matter; that he/she is Chief Clerk for the publisher of
The San Diego Union-Tribune
a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instruction of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

07/16/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Executed at San Diego, California, on this 16th day of July, 2024.

CGaza
Signature

Legal No. **0011681038**

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

Notice is given the San Diego County Local Agency Formation Commission ("LAFCO") will hold a public meeting on Monday, August 5, 2024 starting at 8:00 a.m. at the County of San Diego Administration Center at 1600 Pacific Highway, Board Room 302, San Diego, California. At the public meeting, LAFCO will consider the following public hearing matter:

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An agenda report on this item will be posted online at www.sdlafco.org approximately one week ahead of the noticed meeting. Comments on this item are welcomed and should be submitted no later than Friday, August 2nd to Commission Clerk Erica Sellen by email erica.sellen@sdcounty.ca.gov or telephone at (619) 321-3380.

PUBLISHED: July 16, 2024
(SDUT 11681038)

June 10, 2024

To Whom It May Concern:

My name is Brigette Browning. I am a native San Diegan. I reside in Chula Vista with my father, husband and two children. I am very aware of how LAFCO impacts our communities. I think I would be a wonderful asset to the Board. I have more than 25 years working with low-income workers. I am passionate about rebuilding the middle class and understand how governmental decisions can impact marginalized communities. I have many years mediating disputes and believe conflict resolution is one of my strengths. I welcome the opportunity to serve my community.

Sincerely,

Brigette Browning

BRIGETTE BROWNING





OBJECTIVE

To help raise the voice of working people into decisions made by LAFCO

SKILLS

I am an astute listener who thrives in environments where I need to resolve conflicts. I have worked for 25 years with workers predominately in the Southern part of our County and I feel like their voice is so important in regional decisions.

EXPERIENCE

SAN DIEGO & IMPERIAL COUNTIES LABOR COUNCIL, CEO

5/21- Present

In charge of the federation of labor unions. We have more than 100,000 members and I am responsible for representing their diverse interests and promoting a more robust middle class.

UNITE HERE LOCAL 30 - PRESIDENT

2005-present

The top elected leader of a diverse union of more than 6000 workers. In charge of staff development, negotiating contracts, managing health and welfare funds.

EDUCATION

BA 6/1996 UCSD

Environmental Chemistry and Spanish Literature

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

7a

AGENDA REPORT
Business | Action

August 5, 2024

TO: Commissioners

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

SUBJECT: **Proposed Update to the Rolling Five-Year Study Schedule**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approving a proposed update to its rolling five-year study schedule marked by resetting the coverage period from FY2024-2028 to FY2025-2029. The proposed update is part of an annual process to sync the study schedule to actual authorizations by the Commission in adopting the annual workplan specific to preparing municipal service reviews. The first two years of the proposed update remain largely intact and continue existing practice to capture all municipal service reviews covered in the adopted workplan paired with accommodating the expectation some studies require more than one year to complete. One new study has been added to the first two-year period and involves the previously unscheduled municipal service review on SANDAG and its regional housing, transportation, and climate adaptation service functions. Other changes in the proposed update involve reorganizing certain regional studies to better address multi-city serving special districts and adding a new study on airports in the fifth year. Staff recommends the Commission approve the proposed update with any desired changes.

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

BACKGROUND

Study Directive | Municipal Service Reviews and Sphere of Influence Updates

State law directs San Diego LAFCO to review all local agencies' spheres of influence and update as needed approximately every five years and in doing so actively manage what the Commission sets as the agencies' appropriate current and future boundaries and service areas. State law relatedly specifies LAFCO inform sphere updates by preparing municipal service reviews to independently assess the availability and adequacy of local services relative to community needs. The Commission's policies on preparing municipal service reviews are codified as L-106 and include direction to maintain a five-year study schedule.

Rolling Study Schedule + Implementation Practices

San Diego LAFCO annually reviews and resets a five-year rolling study schedule to calendar municipal service reviews and ancillary sphere of influence updates. Approvals to reset the rolling study schedule are typically considered in August and premised on two related implementation practices as summarized below.

1. The first two years of the five-year study schedule are combined and cover all municipal service reviews separately authorized by the Commission under the annual adopted workplan. The combination of the first two years provides LAFCO flexibility to pace work on the municipal service reviews in line with accommodating the agencies' resources and abilities therein to participate in the data collection and review process.

2. The third, fourth, and fifth years of the five-year study schedule serve as telegraphing tools to the affected agencies and other interested stakeholders with respect to the Commission's expectations of initiating future municipal service reviews. Actual work on any municipal service review – however – will not occur until the Commission formally authorizes the expenditure of LAFCO resources as part of the annual workplan.

DISCUSSION

This item is for San Diego LAFCO to consider approving a proposed update to the five-year rolling study schedule calendaring municipal service reviews. Key features follow.

- The proposed update resets the five-year period from FY2024-2028 to FY2025-2029.

- The first two years of the proposed update (Years One and Two) remain largely intact and sync with the adopted workplan in covering all authorized municipal service reviews with a continued emphasis in the north and north-coastal communities The referenced syncing produces one new previously unscheduled municipal service review on SANDAG. The remaining changes are structural to reorganize previously scheduled regional studies into parts to separately cover cities and districts.

- The final three years of the proposed update (Years Three, Four, and Five) also remain largely intact in telegraphing anticipated municipal service reviews in the near future. This includes continued emphasis to group the future municipal service reviews into regions and gradually progressing from the coast to the backcountry area. Structural changes to reorganize previously scheduled regional studies into parts to separately cover cities and districts also apply as well as adding a new study covering airports.

ANALYSIS

The proposed update to the rolling study schedule before San Diego LAFCO is part of an annual process to resync with actual authorizations set by the Commission in adopting the workplan. This proposed update – markedly – resets the five-year calendar in preparing municipal service reviews and any related sphere of influence updates to reflect the recently adopted workplan for FY 2024-2025. The first two years of the proposed update remain largely intact with an exception involving the addition of a previously unscheduled municipal service review on SANDAG. Other changes as detailed in the preceding section include recasting some of the scheduled municipal service reviews with a new emphasis on combining regions while also dividing them into city and special district focuses. Additions to the study schedule include adding new municipal service reviews on the San Diego Metropolitan Transit System and San Diego Airports in the third and fifth year, respectively.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed update to the study schedule as shown in Attachment One. This recommendation is consistent with taking the actions outlined in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):
Approve the proposed update to the rolling five-year study schedule as detailed and shown in Attachment One with any desired changes with an immediate effective date.

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

Alternate Three:
Take no action.

PROCEDURES

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

1) Receive verbal report from staff unless waived.
2) Commission discussion.
3) Consider the staff recommendation.

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachments:

1) Proposed Update to the Five-Year Rolling Study Schedule
2) Current Five-Year Study Schedule: FY2023 to FY2028

Proposed Commission Rolling Study Schedule

5-Year Plan

FY 2025 through FY 2029

Regional Service Planning
Subdivision of the State of California



Study Directive

State law directs San Diego LAFCO to review spheres of influence for all cities and special districts and update as needed (affirm, expand, reduce, etc.) every five years and by extension mark the agencies' appropriate current and future boundaries and service areas. Pertinently, local agencies cannot annex and/or extend services outside their spheres with limited exceptions. State law also specifies San Diego LAFCO must inform the sphere updates by preparing comprehensive evaluations – titled municipal service reviews – to determine the availability and adequacy of local governmental services as well as governance responsiveness relative to community needs.

Study Schedule

San Diego LAFCO has established a five-year rolling Study Schedule to guide its statutory task to review and update as appropriate the spheres of influence of cities and special districts under the Commission's oversight. The rolling Study Schedule is premised on the Commission's policy interest to proactively calendar municipal service reviews and use these documents to determine the subsequent scope of any related sphere of influence updates for the affected agencies. The Commission also regularly draws on the municipal service reviews to inform its' decision-making on boundary changes.

Rolling Study Schedule Format

The Study Schedule is a living or rolling document that the Commission resets yearly in concert with the annual budget and workplan adoptions. The rolling study schedule spans 5 fiscal years with only the first year being set. The second through fifth years are tentatively calendared, and done so to help guide and telegraph future decision-making. This approach allows the Commission the flexibility to redirect staff resources where needed should calendar studies extend beyond one year while also granting staff the ability to prioritize applicant proposals.

SEE THE SCHEDULE »

2024-2025 + 2025-2026

NORTH COUNTY FOCUS

Carlsbad + Encinitas Region

- **Part I | Cities**
  - City of Carlsbad
  - City of Encinitas
- **Part II: Special Districts**
  - Carlsbad MWD
  - Leucadia WWD
  - Olivenhain WD
  - San Dieguito WD

Central 78 Corridor Region

- **Part I | Cities**
  - City of San Marcos
  - City of Vista
- **Part II: Special Districts**
  - Vista ID
  - Buena SD
  - Vallecitos WD
  - San Marcos FPD
  - Vista FPD

San Diego County Healthcare Districts

- **Part I: Macro + Part II: Micro**
  - Palomar HD
  - Tri-City HD
  - Fallbrook HD
  - Grossmont HD

Del Mar + Solana Beach Region

- **Part I | Cities**
  - City of Del Mar
  - City of Solana Beach
- **Part II: Special Districts**
  - Santa Fe ID
  - CSA 17 - Ambulance*

Oceanside Region

- City of Oceanside
- Morro Hills CSD
- Oceanside Harbor District

Wholesale Water Services

- San Diego County Water Authority
- Metropolitan Water District of Southern California

Council of Governments

- San Diego Association of Governments (SANDAG)

*Denotes a special district included in more than one study.



Oceanside State Beach



Chula Vista is the second largest city in the San Diego metropolitan area.

2026-2027

SOUTHWEST COUNTY FOCUS

Macro Fire Service Study
- State: CAL FIRE
- Cities
- Special Districts
- Tribes

Metro San Diego Region
- City of San Diego
- San Diego Unified PD

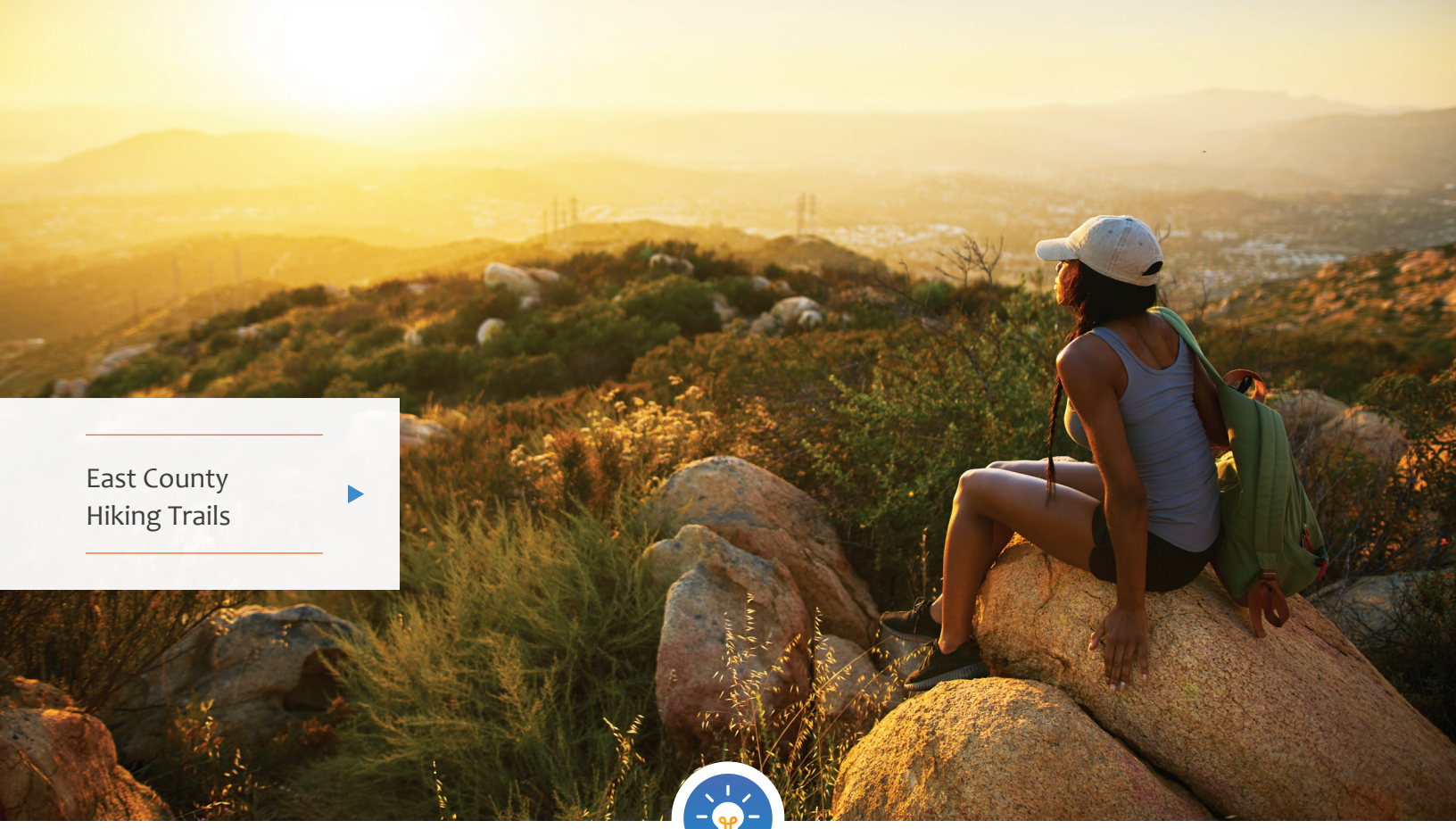
Rancho Santa Fe Region
- Fairbanks Ranch CSD
- Questhaven MWD
- Rancho Santa Fe CSD
- Rancho Santa Fe FPD
- Whispering Palms CSD
- CSA No. 17 - Ambulance*
- CSA No. 83 - San Dieguito Parks

Silver Strand Region
- City of Coronado
- City of Imperial Beach

South Coast Region
- City of Chula Vista
- City of National City
- Bonita-Sunnyside FPD
- Lower Sweetwater FPD
- Otay WD*
- San Diego County SD*
- South Bay ID
- CSA No. 122 - Planning

Transit Services
- North County Transit District
- Metropolitan Transit System (MTS)

*Denotes a special district included in more than one study.



East County
Hiking Trails

2027-2028

EAST COUNTY FOCUS

Alpine - Lakeside Region

- Alpine FPD
- Lakeside FPD
- Lakeside WD
- Padre Dam MWD*
- San Diego County SD*
- CSA No. 69 - Ambulance
- CSA No. 136 - Sundance Basin

El Cajon - Santee Region

- City of El Cajon
- City of Santee
- Helix WD*
- Padre Dam MWD*

Pauma Valley Region

- Mootamai MWD
- Rincon Ranch CSD
- Pauma CSD
- San Luis Rey MWD
- Yuima MWD

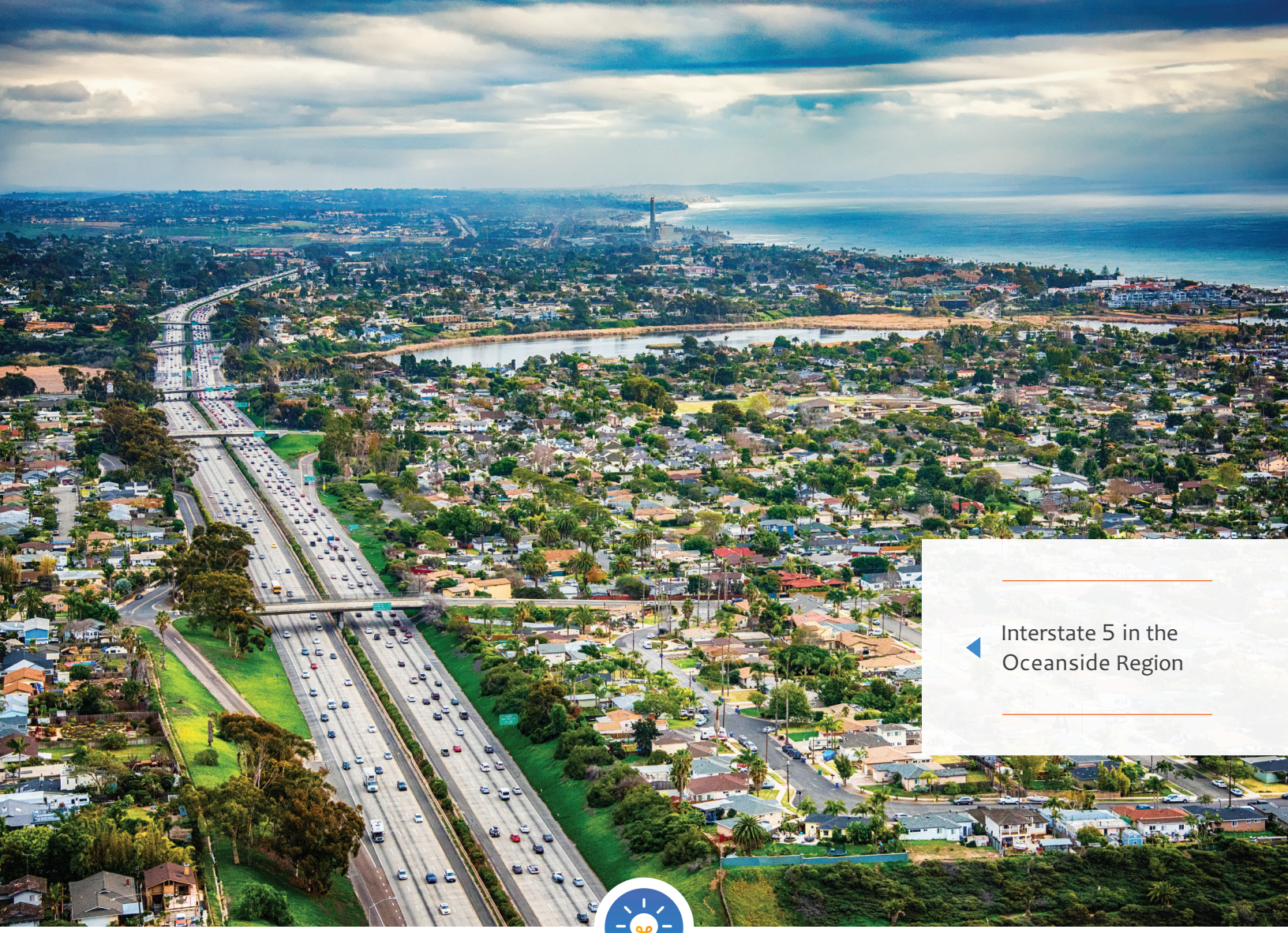
La Mesa - Lemon Grove Region

- City of La Mesa
- City of Lemon Grove
- Helix WD*
- Lemon Grove Roadway LD
- Lemon Grove SD
- San Diego County SD*

Spring Valley Region

- Otay MWD*
- San Miguel FPD
- San Diego County SD*
- CSA No. 69 - Ambulance*
- CSA No. 128 - Parks

*Denotes a special district included in more than one study.



Interstate 5 in the Oceanside Region

2028-2029

MISCELLANEOUS

Borrego Region

- Borrego Springs FPD
- Borrego WD
- Coachella Valley WD

Cemetery Services

- North County CD
- Pomerado CD
- Ramona CD
- Valley Center CD

Flood Control Services

- San Diego County FCD
- Cities
- Special Districts

Alpine - Lakeside Region

- Alpine FPD
- Lakeside FPD
- Lakeside WD
- Padre Dam MWD *
- San Diego County SD
- CSA No. 69 - Ambulance
- CSA No. 136 -Sundance Basin

East Laguna Summit Region

- Canebrake WD
- Descanso WD
- Jacumba CSD
- San Diego County SD
- CSA No. 137 - Live Oak Springs

San Diego County Airports

Commission Study Schedule 5-Year Plan

FY2024 THROUGH FY2028

Regional Service Planning
Subdivision of the State of California



Study Directive

State law directs San Diego LAFCO to review spheres of influence for all cities and special districts and update as needed (affirm, expand, reduce, etc.) every five years and by extension mark the agencies' appropriate current and future boundaries and service areas. Pertinently, local agencies cannot annex and/or extend services outside their spheres with limited exceptions. State law also specifies San Diego LAFCO must inform the sphere updates by preparing comprehensive evaluations – titled municipal service reviews – to determine the availability and adequacy of local governmental services as well as governance responsiveness relative to community needs.

Study Schedule

San Diego LAFCO has established a five-year rolling Study Schedule to guide its statutory task to review and update as appropriate the spheres of influence of cities and special districts under the Commission's oversight. The rolling Study Schedule is premised on the Commission's policy interest to proactively calendar municipal service reviews and use these documents to determine the subsequent scope of any related sphere of influence updates for the affected agencies. The Commission also regularly draws on the municipal service reviews to inform its' decision-making on boundary changes.

Rolling Study Schedule Format

The Study Schedule is a living or rolling document that the Commission resets yearly in concert with the annual budget and workplan adoptions. The rolling study schedule spans 5 fiscal years with only the first year being set. The second through fifth years are tentatively calendared, and done so to help guide and telegraph future decision-making. This approach allows the Commission the flexibility to redirect staff resources where needed should calendar studies extend beyond one year while also granting staff the ability to prioritize applicant proposals.

SEE THE SCHEDULE »

2023-2024 + 2024-2025

NORTH COUNTY FOCUS

Carlsbad Region

- City of Carlsbad
- Carlsbad MWD
- Leucadia WD

Vista Region

- City of San Marcos
- Buena SD*
- San Marcos FPD
- Vallecitos WD
- Vista ID*

San Marcos Region

- City of Vista
- Vista ID*
- Vista FPD
- Buena SD*

Healthcare Districts

- Fallbrook HCD
- Grossmont HCD
- Palomar HCD
- Tri-City HCD

Del Mar – Solana Beach Region

- City of Del Mar
- City of Solana Beach
- Santa Fe ID
- CSA No. 17 – Ambulance *

Encinitas Region

- City of Encinitas
- Leucadia WWD *
- Olivenhain MWD
- San Dieguito WD
- CSA 17 – Ambulance*

Oceanside Region

- City of Oceanside
- Morreo Hills CSD
- Oceanside Harbor District

Wholesale Water Services

- San Diego County Water Authority
- Metropolitan Water District

*Denotes a special district included in more than one study.

Oceanside California State Beach ▶





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2025 – 2026

SOUTHWEST COUNTY FOCUS

Macro Fire Service Study
- State: CAL FIRE
- Cities
- Special Districts
- Tribes

Metro San Diego Region
- City of San Diego
- San Diego Unified PD

Rancho Santa Fe Region
- Fairbanks Ranch CSD
- Questhaven MWD
- Rancho Santa Fe CSD
- Rancho Santa Fe FPD
- Whispering Palms CSD
- CSA No. 17 – Ambulance*
- CSA No. 83 – San Dieguito Parks

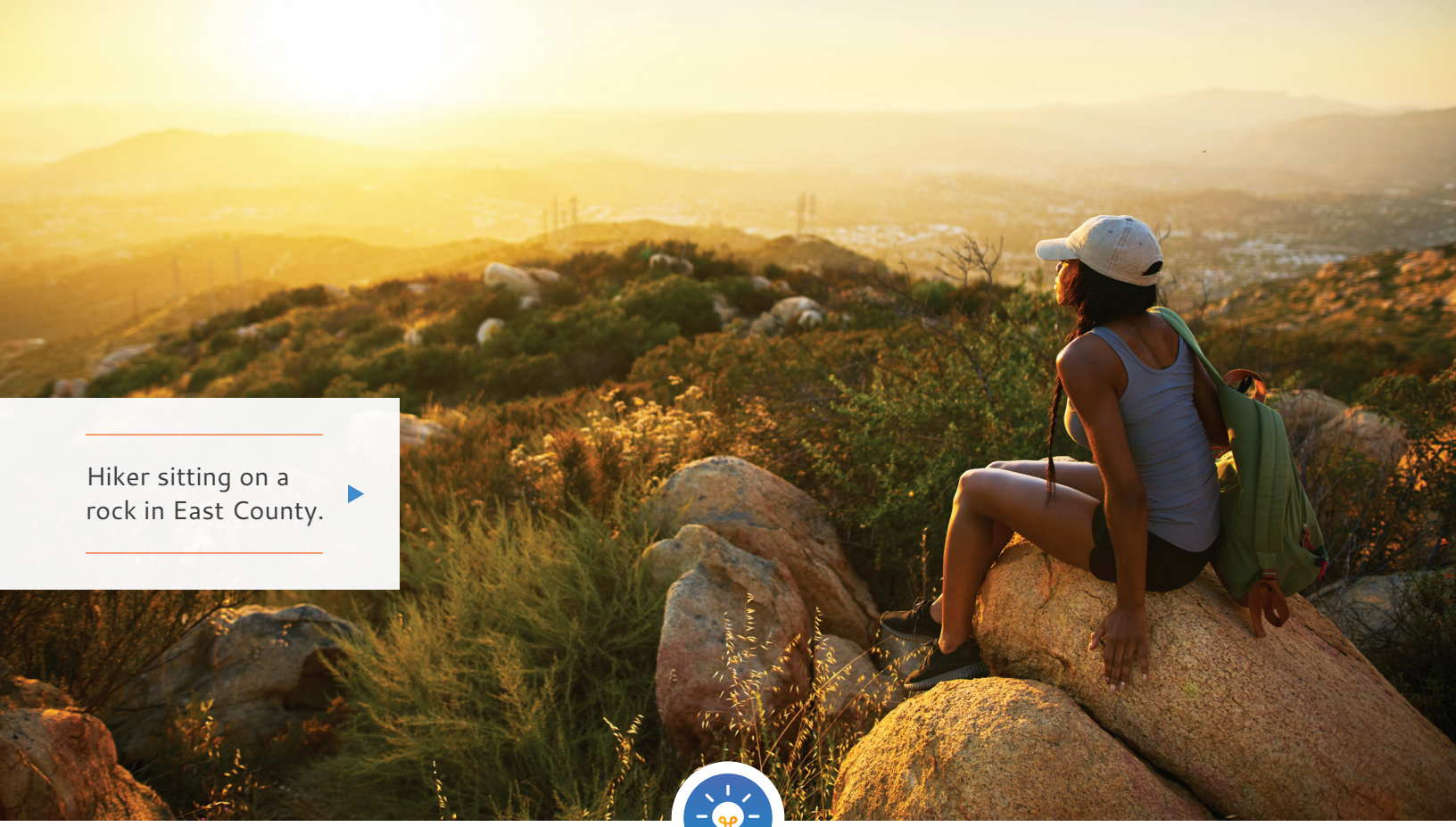
Silver Strand Region
- City of Coronado
- City of Imperial Beach

South Coast Region
- City of Chula Vista
- City of National City
- Bonita-Sunnyside FPD
- Lower Sweetwater FPD
- Otay WD*
- San Diego County SD*
- South Bay ID
- CSA No. 122 – Planning

Transit Services
- North County TD

*Denotes a special district included in more than one study.

sdlafco.org



Hiker sitting on a rock in East County.

2026 – 2027

EAST COUNTY FOCUS

Alpine – Lakeside Region

- Alpine FPD
- Lakeside FPD
- Lakeside WD
- Padre Dam MWD*
- San Diego County SD*
- CSA No. 69 – Ambulance
- CSA No. 136 – Sundance Basin

El Cajon – Santee Region

- City of El Cajon
- City of Santee
- Helix WD*
- Padre Dam MWD*

Pauma Valley Region

- Mootamai MWD
- Rincon Ranch CSD
- Pauma CSD
- San Luis Rey MWD
- Yuima MWD

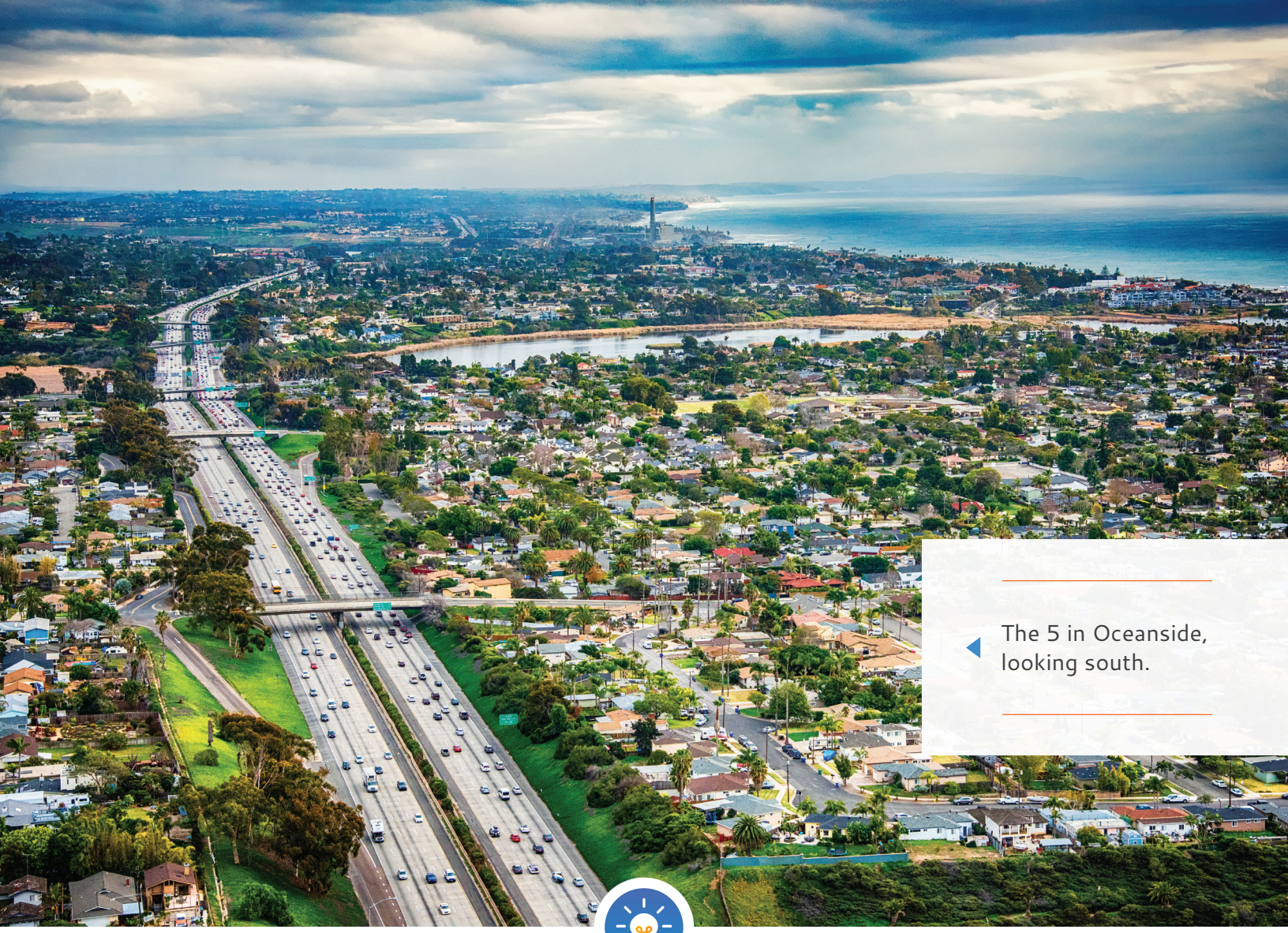
La Mesa – Lemon Grove Region

- City of La Mesa
- City of Lemon Grove
- Helix WD*
- Lemon Grove Roadway LD
- Lemon Grove SD
- San Diego County SD*

Spring Valley Region

- Otay MWD*
- San Miguel FPD
- San Diego County SD*
- CSA No. 69 – Ambulance*
- CSA No. 128 – Parks

*Denotes a special district included in more than one study.



The 5 in Oceanside, looking south.

2027 – 2028

MISCELLANEOUS

Borrego Region
- Borrego Springs FPD
- Borrego WD
- Coachella Valley WD

Cemetery Services
- North County CD
- Pomerado CD
- Ramona CD
- Valley Center CD

Flood Control Services
- San Diego County FCD
- Cities
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Alpine - Lakeside Region
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- Jacumba CSD
- San Diego County SD
- CSA No. 137 - Live Oak Springs