



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

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AGENDA REPORT
 Public Hearing

August 5, 2019

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Alex Vidal, Local Governmental Analyst I

SUBJECT: **Proposed “Lomas de Oro Court Change of Organization” |
 Detachment from Leucadia Wastewater District (CO19-01 et al.)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by interested landowners to detach approximately 1.6 acres of incorporated territory in the City of Encinitas from the Leucadia Wastewater District (WWD). The affected territory as submitted consists of two developed single-family residential parcels currently dependent on private septic systems. The purpose of the proposal is to replace the aging septic systems and their ongoing maintenance by connecting the two subject parcels to a planned Encinitas’ wastewater main. Staff recommends approval with a modification to expand the detachment to include 0.1 acres of adjacent public right-of-way on El Camino Del Norte along with a conforming sphere amendment for Leucadia WWD; the latter of which necessitates a noticed hearing. Standard terms are also recommended.

BACKGROUND

Applicant Request

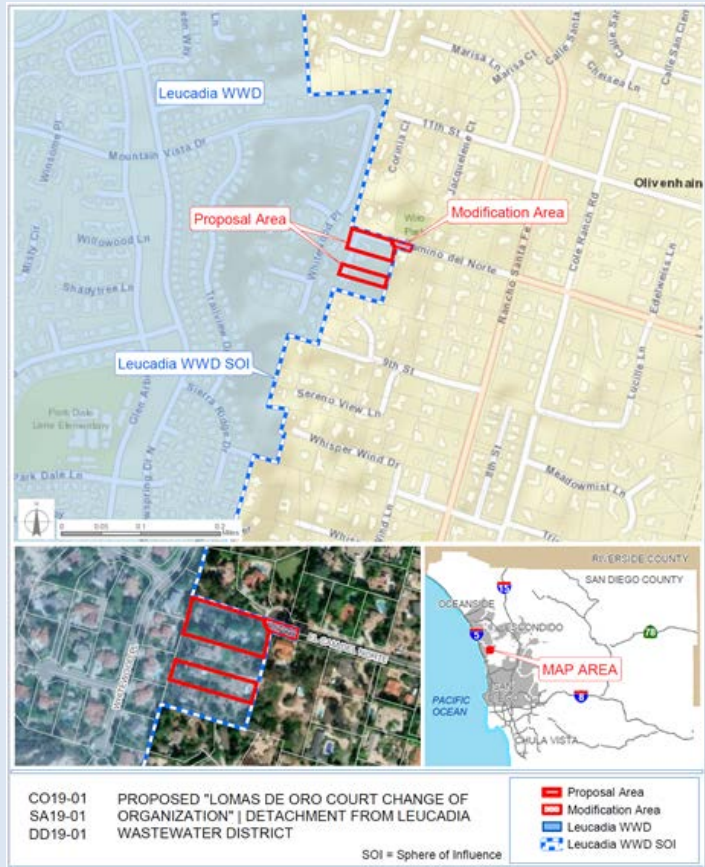
San Diego LAFCO has received an application from two landowners – Nikolas London and Anthony Brandenburg – requesting approval to detach approximately 1.6 acres of incorporated and developed territory in the City of Encinitas from Leucadia WWD. As

Administration Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	Jim Desmond County of San Diego	Mary Casillas Salas City of Chula Vista	Mark Kersey City of San Diego	Chair Jo MacKenzie Vista Irrigation	Andy Vanderlaan General Public
	Dianne Jacob, Vice Chair County of San Diego	Bill Wells City of El Cajon	Chris Cate, Alternate City of San Diego	Barry Willis Alpine Fire Protection	Harry Mathis, Alternate General Public
	Greg Cox, Alternate County of San Diego	Serge Dedina, Alternate City of Imperial Beach		Erin Lump, Alternate Rincon del Diablo MWD	

submitted, the affected territory comprises two non-contiguous that are each developed with one single-family residence and identified hereafter as the “Brandenburg residence” at 648 Lomas de Oro Court and the “London residence” at 625 Lomas de Oro Court. The Brandenburg residence is approximately 0.67 acres and the London residence is approximately 0.93 acres and identified by the County of San Diego Assessor’s Office as 265-355-40 and 265-355-42, respectively. The affected territory is south of Olivenhain Road, east of Rancho Santa Fe Road, north of Encinitas Boulevard, and west of N. El Camino Real. The Registrar of Voters has confirmed six voters are currently listed in the affected territory.

Affected Territory

- Two parcels totaling 1.6 acres at 625 and 648 Lomas de Oro Court
- Each parcel is developed with one single-family residence
- Total of six registered voters
- Located in the City of Encinitas
- Also located in Leucadia WWD ... represents < 0.1% of the jurisdictional boundary
- Encinitas’ Sewer Master Plan designates territory as part of the Cardiff Sanitary Division



Please refer to Attachment One for a full page vicinity map

Subject Agencies

The reorganization proposal filed with San Diego LAFCO involves two subject agencies: Leucadia WWD (direct) and City of Encinitas (indirect).¹ A summary of both agencies follow.

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

- Leucadia WWD is an independent special district formed in 1959 and provides wastewater services (collection, treatment and disposal) within a 15-square mile area that includes the northern portion of the City of Encinitas and the southeastern portion of the City of Carlsbad.² Leucadia WWD joined the Encina Joint Powers Authority in 1971 and is a co-owner of the Encina Water Pollution Control Facility located in Carlsbad.³ LAFCO estimates Leucadia WWD’s current resident population at 60,000. LAFCO established a sphere of influence for Leucadia WWD in 1984 and it was most recently affirmed in 2013. Their sphere presently includes 547 non-jurisdictional acres. Leucadia WWD’s net position is \$59.4 million as of June 30, 2018.
- The City of Encinitas was incorporated in 1986 and governed by an elected five-member council that includes a directly elected mayor. Municipal services directly provided by Encinitas include community planning, public works, and fire protection. Encinitas also provides wastewater and domestic water services within portions of the City with the latter facilitated through a subsidiary, San Dieguito Water District. Policing is contracted to County Sheriff. LAFCO estimates Encinitas’ current resident population at 61,204. LAFCO established a sphere of influence for Encinitas in 1985 and it was most recently affirmed in 2008. Their sphere presently includes 798 non-jurisdictional acres. Encinitas’ net position is \$323 million as of June 30, 2018.

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.⁴

- City of Encinitas
- Olivenhain Municipal Water District
- County Service Area No. 17 (San Dieguito Ambulance)
- County Service Area No. 135 (Regional Communications)
- San Diego County Flood Control District
- Conservation District of Greater San Diego County
- San Diego County Water Authority
- Metropolitan Water District of Southern California

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the change of organization proposal to detach the affected territory from Leucadia WWD. The Commission may also consider applying conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to proposal purpose and Commission focus follows.

² Leucadia WWD also provides recycled water within a portion of the City of Carlsbad.

³ Approximately 20 percent of Encina Water Pollution Control Facility’s capacity is controlled by Leucadia WWD.

⁴ State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

Proposal Purpose

The purpose of the proposal is to accommodate connection to a planned extension of the City of Encinitas wastewater system in order to replace aging underground septic disposal systems serving each subject parcel. The proposed detachment from the Leucadia WWD is required as a condition to establish service by Encinitas as part of a sewer area improvement project titled as the “Olivenhain Sewer Trunk Line Extension.” The project is expected to involve the improvement of approximately 2,500 feet of sewer line to increase flow and ultimately allow for lateral connections from the affected territory. The estimated cost for planning, design, and construction is approximately \$8.0 million and will be funded in part by participating landowners – including the proposal’s applicants – through connection fees.

Development Potential

The affected territory consists of two developed parcels each with one single-family residence and located within the Olivenhain community planning area of the City of Encinitas. Encinitas’ General Plan and Zoning Ordinance contemplate low density residential uses for the subject parcels and marked by prescribing a maximum of two dwelling units per acre. This allowance, notably, prohibits any additional density for either of the two subject parcels. Furthermore, no additional intensity is allowed on either parcel with respect to the development of accessory dwelling units.

Commission Focus

Three central and sequential policy items underlie the San Diego LAFCO’s consideration of the change of organization. These policy items take the form of new determinations and orient the Commission to consider the stand-alone merits of a (a) conforming sphere of influence amendment, (b) timing of the change of organization, and (c) whether discretionary boundary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in and outside of LAFCO law as detailed.

ANALYSIS

The analysis of the change of organization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and specifically the conforming sphere amendment, change of organization timing, and whether modifications and/or terms are appropriate. The second subsection considers other germane issues required under LAFCO law or other applicable State statutes.

(continued)

Central Policy Items

Item No. 1 |

Sphere of Influence Amendment

The proposed change of organization to detach the affected territory from Leucadia WWD necessitates San Diego LAFCO approve a conforming sphere of influence amendment to achieve consistency with the requested boundary change per Government Code Section 56375.5. The scope of the amendment involves removing all of the affected territory from the Leucadia WWD sphere. Consideration of the amendment is premised on the Commission’s statutory task to designate spheres to demark the affected agencies’ appropriate current and future service areas relative to community needs as determined by LAFCO. The staff review suggests an amendment is sufficiently justified. The underlying merit is marked by the planning investment made by Encinitas to establish wastewater service to the affected territory as part of an area-wide public works project and whereas no such planning has been performed by Leucadia WWD.

Conclusion | Merits of the Sphere Amendment

Approval of the sphere of influence amendment to exclude the affected territory comprising the Brandenburg and London residences from Leucadia WWD is warranted. Justification is marked by the preceding analysis and serves to recognize the City of Encinitas – and not Leucadia WWD – is the appropriate wastewater provider to the affected territory going forward. Additional analysis supporting the conclusion – including addressing the specific factors required under LAFCO law – is provided as part of Appendix A.

Item No. 2 |

Change of Organization Timing

The proposal involves one jurisdictional change to detach the affected territory from Leucadia WWD. Staff’s review of the proposal suggest the timing of this change is sufficiently justified and highlighted by the analysis of the dozen-plus factors required for consideration under LAFCO law anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts of the proposed change of organization on the administrative, service, and financial capacities of the receiving agency: City of Encinitas. No single factor is determinative and the intent is to provide a uniform baseline for LAFCO in considering all jurisdictional changes in context to the Commission’s own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with a complete analysis provided in Appendix B.

- Service Needs

The affected territory is currently planned and developed for residential use within an urbanizing area of the City of Encinitas. The affected territory also lies within both the jurisdictional boundaries of Leucadia WWD and Encinitas, but remain on private septic systems. Ongoing maintenance costs of the septic systems have prompted the applicants to affirmatively respond to an Encinitas survey of area landowners and participate in connecting the subject parcels to a planned extension of a nearby wastewater trunk line (Olivenhain) along El Camino del Norte and within the City's Cardiff Sanitary Division. Encinitas requires the applicants to detach from Leucadia WWD as a condition of service. Images showing the location of the affected territory in relation to the surrounding wastewater providers can be seen in Attachment Two.

- Service Capacities and Levels

The City of Encinitas' ability to provide wastewater service to the affected territory is contingent upon the completion of the planned Olivenhain Trunk Sewer Improvement Project to improve capacity in the collection system. Images indicating the location of the affected territory in relation to the capital improvement project can be seen in Attachment Three. Additional details follow.

- The affected territory is located adjacent to and would be included in Encinitas' Cardiff Sanitary Division upon formal connection. The Cardiff Sanitary Division comprises Encinitas' southern and eastern perimeters with an estimated resident population of 19,600 and is one of two wastewater collection systems within the City. Flows generated within the Cardiff Sanitary Division are collected in one of four trunks and then conveyed by gravity to the San Elijo Wastewater Recovery Facility (WRF).
- It is projected the average day wastewater demand generated within the affected territory is 400 gallons and based on the current maximum development allowance of single-family residences on each subject parcel under Encinitas zoning. This amount represents 0.02% of the existing available capacity at the San Elijo WRF, and as such can be readily accommodated without additional resources or infrastructure planning.

- Service Funding and Costs

The City of Encinitas has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its current and planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Encinitas' recent audited statements which shows the City has maintained positive total margins in each of the last three years at an average of 5.8%. Additional details specific to wastewater operations follow.

- The applicants are participating in the costs associated with extending the trunk line necessary to accommodate additional flows to the San Elijo WRF through the payment of connection fees. Once connected the applicants will be responsible for usage charges, which currently total \$344 per year.

Conclusion | Merits of Change of Organization Timing

The timing of the change of organization and detachment therein of the affected territory from the Leucadia WWD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area and synchs with Encinitas’ planned infrastructure capacities and infrastructure. Additional analysis supporting the conclusion is provided in Appendix B.

Item No. 3 | Modifications and Terms

Staff believes one modification to the submitted change of organization proposal is appropriate and it involves San Diego LAFCO expanding the detachment from Leucadia WWD to include 0.11 acres of adjacent public right-of-way on El Camino Del Norte. This recommended modification produces a more orderly governmental boundary distinction between the City of Encinitas and Leucadia WWD and avoids the creation of a service “island” for the District. Modifying the proposal to include the adjacent public right-of-way may also be accomplished without additional notice. Applying standard terms also appears appropriate given no special or unique conditions have been identified.

Conclusion | Modifications and Terms

Modifying the proposal to include the adjacent 0.11 acre public right-of-way on El Camino Del Norte is appropriate and helps delineate the appropriate demarcation of wastewater responsibilities between Leucadia WWD and City of Encinitas. Standard terms are also recommended

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. Towards this end, staff has confirmed the County of San Diego Board of Supervisors has adopted a Master Enterprise District Resolution applicable to the proposed change of organization.

The application of this master tax exchange agreement will result in a “no” exchange.

Environmental Review

The California Environmental Quality Act (CEQA) requires San Diego LAFCO to assess whether impacts to the environment would result from activities approved under the Commission’s statutory authority. Accordingly, San Diego LAFCO is tasked with making two distinct determinations as lead agency under CEQA with respect to considering the applicants’ proposal. This involves the (a) accommodating sphere of influence amendment and the (b) detachment. Staff’s analysis and recommendations follow.

- San Diego LAFCO serves as lead agency under CEQA for the accommodating sphere of influence amendment to Leucadia WWD to remove the affected territory as modified to include the two subject parcels and adjacent public right-of-way. Staff has determined the activity is a project under CEQA, but exempt from further review under the “general rule” provision provided under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and any amendments do not change the environment or authorize any new uses or services.
- San Diego LAFCO also serves as lead agency under CEQA for the proposed change of organization involving detachment of the affected territory as modified to include the two subject parcels and adjacent public right-of-way from Leucadia WWD. Staff has determined the proposed detachment is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15320. This exemption appropriately applies given the affected territory is already located in an authorized wastewater service provider and the detachment will not change the geographic area where previously-existing service powers are authorized and exercised.

Protest Proceedings

Protest proceeding for the change of organization may be waived by San Diego LAFCO under Government Code Section 56662 should the Commission proceed with an approval. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agency and landowners have provided their respective written consents to the underlying proceedings. Further, the addition of the adjacent public right-of-way does not require protest proceedings.⁵

(continued)

⁵ LAFCO law defines uninhabited as territory in which 11 or less registered voters reside.

RECOMMENDATION

Staff recommends approval of the change of organization proposal with modification to add 0.11 acres of adjacent public right-of-way along with conforming sphere of influence amendment consistent with Alternative One as outlined in the proceeding section. Approval facilitates an orderly and otherwise modest expansion of wastewater services to the affected territory and its two developed single-family residences. Approval, notably, further reflects changing local conditions and recognizes the City of Encinitas' ability to provide wastewater service to the affected territory supersedes the ability of Leucadia WWD.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Adopt the attached draft resolution approving the change of organization proposal to detach the affected territory plus the adjacent 0.11 acres of public right-of-way from Leucadia WWD with a confirming sphere amendment and subject to standard terms.

Alternative Two:

Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:

Disapprove the proposal with direction to the Executive Officer to return at the next regular meeting with a conforming resolution for adoption.

PROCEDURES FOR CONSIDERATION

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

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

On behalf of staff,



Alex Vidal
Local Government Analyst

Appendices:

- A) Analysis of Sphere Change Factors
- B) Analysis of Boundary Change Factors

Attachments:

- 1) Vicinity Map
- 2) Wastewater Agencies Map
- 3) Public Infrastructure Extension Map
- 4) Draft Resolution of Approval
- 5) Proposal Materials

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APPENDIX A
Government Code Section 56425
Sphere of Influence Determinations

1) The present and planned land uses, including agricultural and open-space lands.

The affected territory is entirely incorporated within the City of Encinitas. Both subject parcels are developed with single-family residences consistent with current City zoning and cannot be further developed through additional density or intensity. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law. Removal of the affected territory from the Leucadia WWD sphere of influence is consistent with these present and planned land uses.

(2) The present and probable need for public facilities and services in the area.

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential uses of the affected territory and its two subject parcels consistent with the surrounding and developing area of the City of Encinitas. Encinitas has planned a public works project to make wastewater service available to the affected territory whereas no such plans exists involving Leucadia WWD. Removal of the affected territory from the Leucadia WWD sphere of influence reflects these service conditions.

(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

A current public works projected is underway by the City of Encinitas to improve collection capacity with the sewer trunk line that would be responsible for connecting and conveying wastewater flows from the affected territory to the San Elijo WRF for treatment and disposal. Sufficient capacity exists at the San Elijo WRF to accommodate projected maximum flows generated from the affected territory without additional improvements. Removing the affected territory from Leucadia WWD reflects these planned improvements.

(4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The affected territory has established social and economic ties with both Leucadia WWD and the City of Encinitas. These ties are measurably stronger with Encinitas given the affected territory is already dependent on the City for a range of municipal services. The proposal and the conforming amendment to remove the affected territory from the Leucadia WWD sphere of influence recognizes this latter relationship and further consolidates management of municipal services for the affected territory under Encinitas.

(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The affected incorporated territory does not qualify as a disadvantaged unincorporated community under State statute or local policy.

APPENDIX B

Government Code Section 56668 Proposal Review Factors

- a) **Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.**
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The affected territory with the recommended modification is approximately 1.72 acres in size. It includes two distinct and noncontiguous subject parcels developed with one single-family home – the Brandenburg residence totaling approximately 0.67 acres and the London residence totaling approximately 0.93 acres – along with an adjacent public right-of-way. Both subject parcels are incorporated and located within the Olivenhain community planning area of the City of Encinitas. No new development is associated with the proposed change of organization and existing City land use policies do not accommodate any significant new growth within or adjacent to the affected territory. The County Registrar of Voters has confirmed that 6 registered voters reside within the affected territory.

- b) **The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**
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The City of Encinitas acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, street lighting, and law enforcement. There are also several local governmental agencies that provide individual services to the affected territory. This includes County Service Area No. 17 (San Dieguito Ambulance), County Service Area No. 135 (Regional Communications), the Resource Conservation District of Greater San Diego County (watershed & soil conservation) and San Diego County Flood Control District (flood control). The affected territory and its two subject parcels also lie within Leucadia WWD, but remain on private septic systems. Detachment from Leucadia WWD will allow the subject incorporated parcels to proceed with lateral connections to the City’s planned expansion of its wastewater collection system.

A planned public works infrastructure improvement project is underway to facilitate a lateral connection for the affected territory to Encinitas’ collection system. It is projected the average day wastewater demand generated within the affected territory is 400 gallons and based on the current maximum development allowance of single-family residences on each subject parcel under Encinitas zoning. This amount would represent 0.02% of the existing available capacity at the San Elijo WRF, and as such can be readily accommodated by Encinitas without additional resources or infrastructure planning.

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

Approval of the change of organization proposal to detach the affected territory from Leucadia WWD would support the affected territory's evolving social and economic ties to an urbanizing area of the City of Encinitas. The timing of the change of organization and detachment therein of the affected territory from the Leucadia WWD is warranted. Justification is based on the need for wastewater service in a developing urban area and synchs with Encinitas' planned infrastructure capacities.

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

The proposed detachment of the affected territory from Leucadia WWD facilitates additional synching of urban-supporting services under one central provider, City of Encinitas. The proposal would not induce or otherwise facilitate the loss of open-space lands, and as such does not conflict with Government Code Section 56377.

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

No portion of the affected territory qualifies as agricultural lands under LAFCO law. The change of organization proposal is specific to detachment of the affected territory from Leucadia WWD and would have no effect on maintaining the physical and economic integrity of any agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards as well as to reflect any modifications as approved by the Commission. The affected territory does not cross lines of assessment.

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

The proposal does not involve new development or other changes that would generate or otherwise affect traffic, transportation, or circulation. Therefore, the proposal will not conflict with San Diego Forward, the regional transportation plan prepared and adopted by San Diego Association of Governments or SANDAG.

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

The affected territory is entirely incorporated within the City of Encinitas and subject to its adopted land use policies. Encinitas' General Plan and Zoning Ordinance contemplate low density residential uses for the two subject parcels and marked by prescribing a maximum of two dwelling units per acre. These land uses are consistent with the ultimate purpose of the proposal to facilitate connection to the City's wastewater system.

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

Proposal approval necessitates a conforming amendment to Leucadia WWD's sphere of influence to exclude the affected territory. Consideration of this conforming amendment is detailed in Appendix A.

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

Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

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

Information collected and reviewed as part of this proposal indicates the City of Encinitas has established sufficient financial resources and administrative controls therein relative to assuming public wastewater responsibilities to the affected territory without adversely impacting existing ratepayers. This statement is supported by the following factors.

- Encinitas' last audit covers 2017-2018 and shows the District finished with adequate liquidity levels with an agency-wide current ratio of 4.4 to 1 (i.e., \$4.40 in current assets for every \$1.00 in current liabilities).
- Encinitas' finished 2017-2018 with sufficient capital as evident by a relatively modest debt ratio of 41% (i.e., \$59 out of every \$100 in net assets are free from financing.)
- Encinitas' last three audited fiscal years shows the City has maintained positive total margins in each of the last three years at an average of 5.8%.

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

The affected territory's existing residential uses are already within and connected to Olivenhain Municipal Water District's domestic water system. Approval of the change of organization would not affect the timely availability of water supplies to the affected territory. Further, no comments on the proposal were received from Olivenhain.

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

The proposal does not involve new development or other changes that may impact any local agencies in accommodating their regional housing needs. All potential residential units associated with the affected incorporated territory are already assigned to the City of Encinitas. This assignment would not change as a result of proposal being approved.

n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The affected territory is uninhabited as defined LAFCO law (11 registered voters or less). The landowner supports the annexation underlying the change of organization and has provided their written consent to the proceedings. Further, the recommendation to modify the proposal to include a portion of the adjacent public right-of-way does not introduce a new "landowner" as defined under LAFCO statute.

o) Any information relating to existing land use designations.

The City of Encinitas zones the affected territory as rural residential (RR-2). This designation specifies the maximum density as two dwelling units per acre and prohibits additional density or intensity.

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

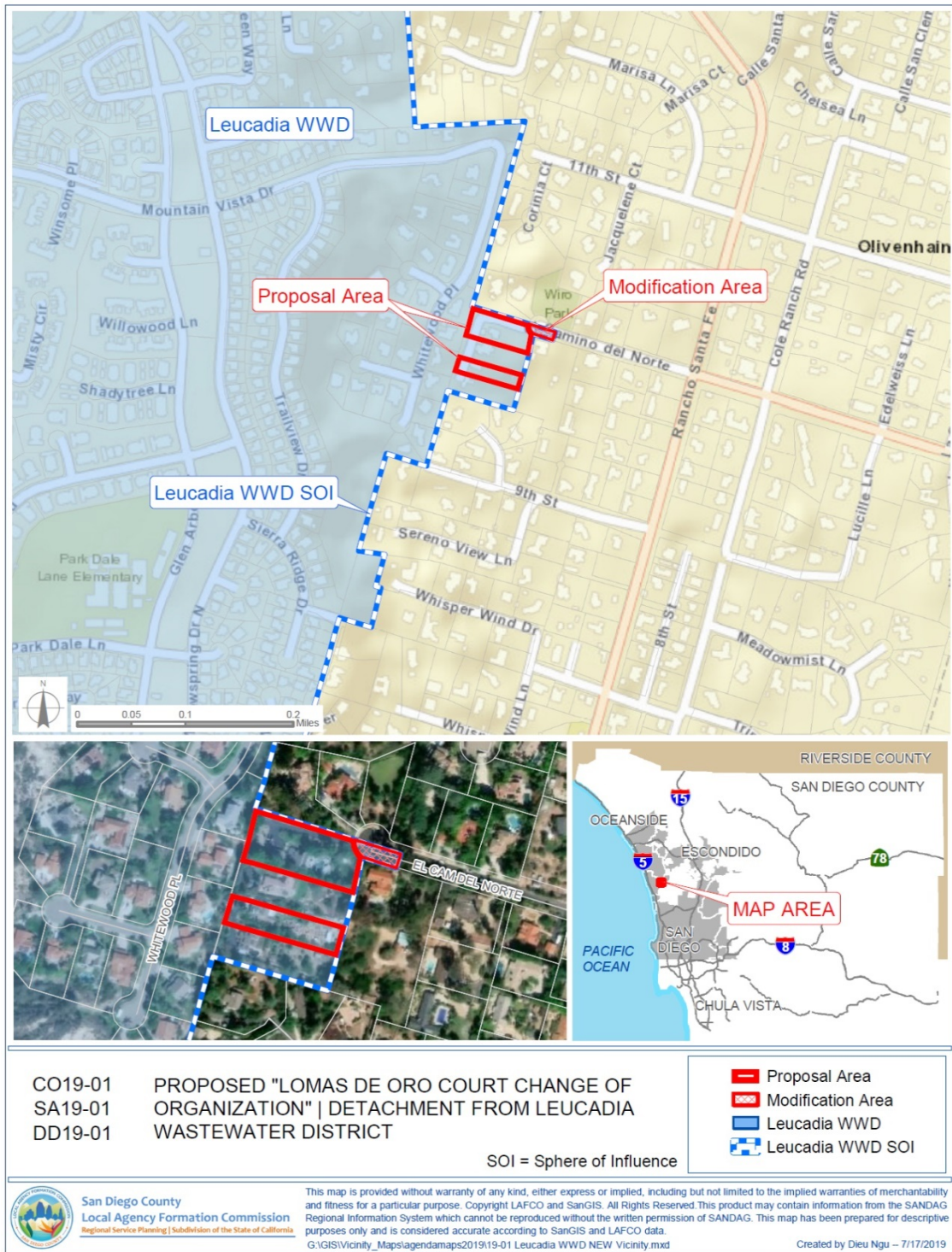
As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed change of organization involves detachment of the affected territory and does not include locating new public facilities. Therefore, the proposed change of organization is not anticipated to directly influence the promotion of environmental justice within the affected territory.

- q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the affected territory.**
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The affected territory is not identified on State maps as located within very high fire hazard zones and state responsibility areas. The affected territory is entirely incorporated and subject to the safety element of the City of Encinitas General Plan.

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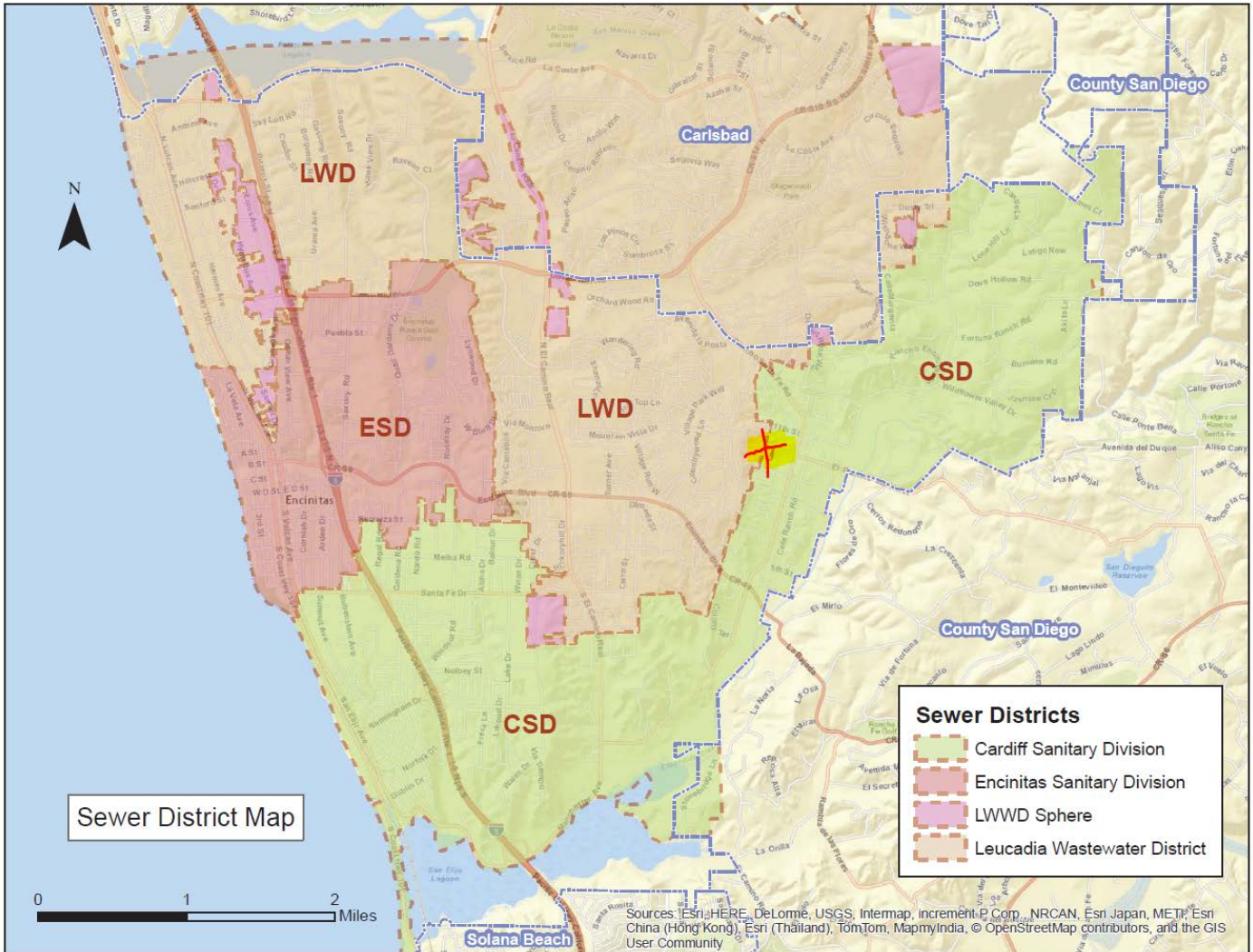
Attachment One Affected Territory Map



The affected territory also includes an additional area of 0.11 acres along El Camino Del Norte for the purpose of discouraging the formation of an island within Leucadia WWD’s sphere of influence.

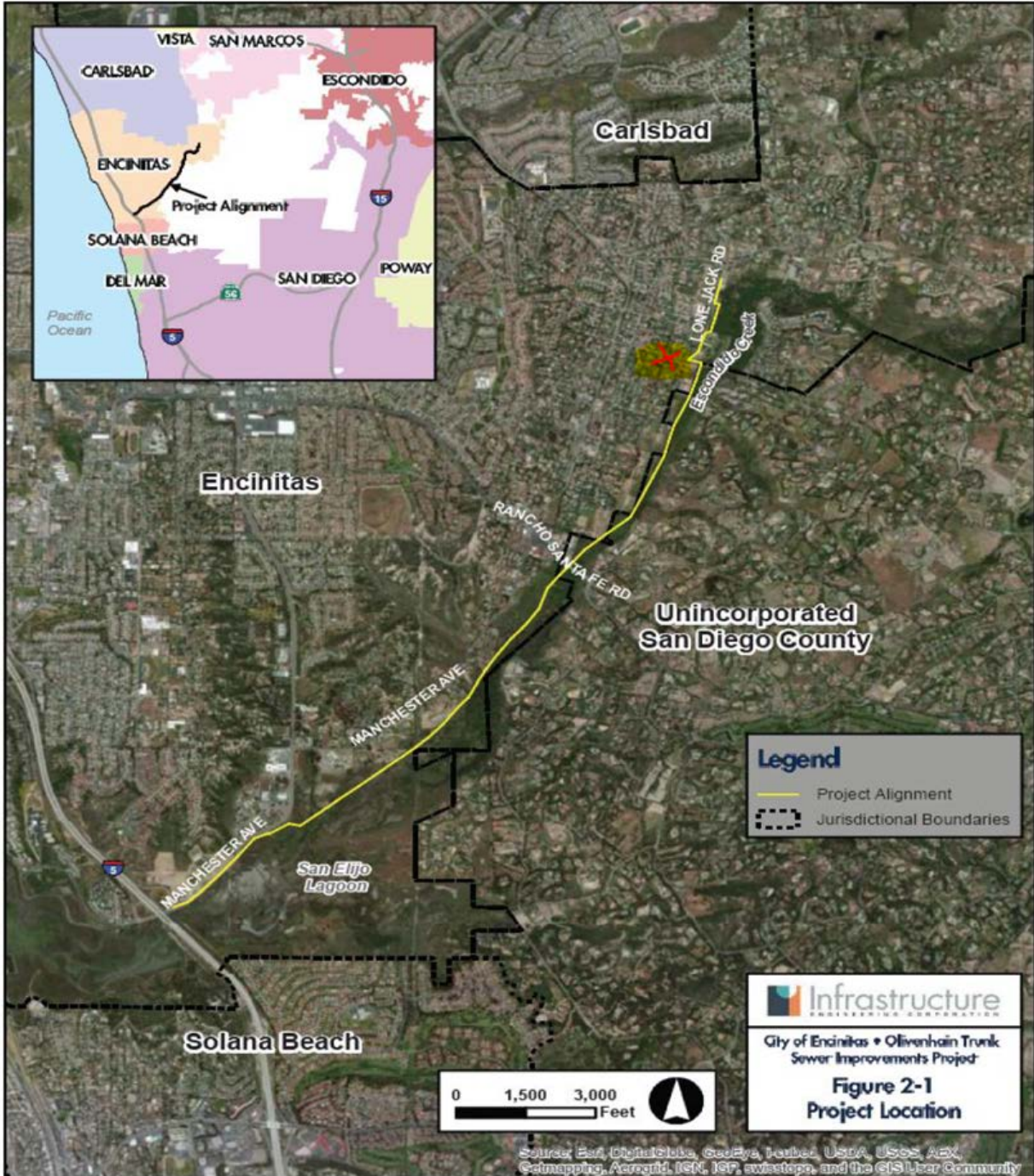
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Attachment Two Sewer Districts Map



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Attachment Three Public Infrastructure Extension Map



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RESOLUTION NO. ____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, ORDERING AND APPROVING
A CHANGE OF ORGANIZATION AND
ASSOCIATED SPHERE OF INFLUNCE AMENDMENT

LOMAS DE ORO COURT CHANGE OF ORGANIZATION -
DETACHMENT FROM THE LEUCADIA WASTEWATER DISTRICT
LAFCO FILE NOS. SA19-01; CO19-01; DD19-01

WHEREAS, Nikolas John Stranger and Vanessa Ayumi London have filed a landowner petition proposal with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000, et seq.); and

WHEREAS, the proposal seeks approval for a change of organization involving detachment of approximately 1.60 acres of incorporated territory from the Leucadia Wastewater District for the purpose of connection to the City of Encinitas wastewater system; and

WHEREAS, the affected territory as proposed comprises two incorporated parcels identified by the County of San Diego Assessor’s Office as 265-355-40 and -42, each developed with one single-family residence; and

WHEREAS, the Commission’s Executive Officer has reviewed the proposal and prepared a report with recommendations; and

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 5, 2019;

WHEREAS, the Commission considered all the factors required under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and adopted local policies.

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

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

2. At the hearing, the Commission called for, heard, and considered all public comments by interested parties and read and considered the Executive Officer's report.
3. The affected territory as modified is shown as "Exhibit A" and further described as "Exhibit B."
4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) an accommodating sphere of influence amendment and (b) the detachment itself. The Commission's findings follow.
 - a) The amendment to the sphere of influence of the Leucadia Wastewater District to exclude the affected territory as modified qualifies as a project but is exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.
 - b) The change of organization involving detachment of the affected territory as modified from the Leucadia Wastewater District qualifies as a project but is exempt from additional review under per State CEQA Guidelines § 15320. This exemption appropriately applies given the affected territory is already located within an authorized wastewater service provider and the detachment will not change the geographic area where previously-existing service powers are authorized and exercised.
5. The Commission conditionally APPROVES the proposal with a conforming sphere of influence amendment as shown and described in Exhibits A and B along with a modification to include 0.11 acres of adjacent public right-of-way on El Camino Del Norte. The following conditions apply and must be satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code § 56895.
 - b) Submittal to the Commission of a final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
 - c) Written confirmation from the Leucadia Wastewater District all required detachment fees or charges have been received.

- d) Submittal to the Commission of the following payments:

A check made payable to LAFCO in the amount of \$100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.

A check made payable to LAFCO in the amount of \$409.32 to reimburse for the public hearing notice publication.

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

- 6) The Commission assigns the proposal the following short-term designation:

“Lomas De Oro Court Change of Organization from the Leucadia Wastewater District”

- 7) In approving the conforming sphere of influence amendment to the Leucadia Wastewater District the Commission makes the statements provided as “Exhibit C.”
- 8) The affected territory as designated by the Commission is uninhabited as defined in Government Code § 56046.
- 9) The Commission waives conducting authority proceedings per Government Code § 56662.
- 10) The Leucadia Wastewater District is a registered-voter district.
- 11) The Leucadia Wastewater District utilizes the County of San Diego assessment roll.
- 12) The affected territory as modified will be liable for any existing bonds, contracts, and/or obligations of the Leucadia Wastewater District as provided under Government § 57328.
- 13) The effective date of the approval and corresponding jurisdictional change shall be the date of recordation but not before September 4, 2019.
- 14) The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in §§ 56880-56882 of the Government Code.
- 15) The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by §§ 57200, et seq., of the Government Code.

Passed and adopted by the Commission this 5th day of August 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Lockett, Executive Assistant
San Diego Local Agency Formation Commission

EXHIBIT C
Government Code Section 56425
Sphere of Influence Determinations

1) The present and planned land uses, including agricultural and open-space lands.

The affected territory is entirely incorporated within the City of Encinitas. Both subject parcels are developed with single-family residences consistent with current City zoning and cannot be further developed through additional density or intensity. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory does not contain open-space lands, has not been cultivated for agricultural products, and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law. Removal of the affected territory from the Leucadia WWD sphere of influence is consistent with these present and planned land uses.

(2) The present and probable need for public facilities and services in the area.

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential uses of the affected territory and its two subject parcels consistent with the surrounding and developing area of the City of Encinitas. Encinitas has planned a public works project to make wastewater service available to the affected territory whereas no such plans exists involving Leucadia WWD. Removal of the affected territory from the Leucadia WWD sphere of influence reflects these service conditions.

(3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

A current public works projected is underway by the City of Encinitas to improve collection capacity with the sewer trunk line that would be responsible for connecting and conveying wastewater flows from the affected territory to the San Elijo WRF for treatment and disposal. Sufficient capacity exists at the San Elijo WRF to accommodate projected maximum flows generated from the affected territory without additional improvements. Removing the affected territory from Leucadia WWD reflects these planned improvements.

(4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The affected territory has established social and economic ties with both Leucadia WWD and the City of Encinitas. These ties are measurably stronger with Encinitas given the affected territory is already dependent on the City for a range of municipal services. The proposal and the conforming amendment to remove the affected territory from the Leucadia WWD sphere of influence recognizes this latter relationship and further consolidates management of municipal services for the affected territory under Encinitas.

(5) The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The affected incorporated territory does not qualify as a disadvantaged unincorporated community under State statute or local policy.

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

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a NOTICE OF INTENT TO CIRCULATE PETITION with the Executive Officer of the San Diego Local Agency Information Commission before a petition to initiate a change of organization or reorganization can be circulated (Govt. Code § 56700.4).

1. Notice is hereby given to circulate a petition proposing to: Detach property from Leucadia Wastewater District

2. The reason(s) for the proposal are: To participate in a gravity sewer to be constructed to connect to an existing Cardiff Sanitary

Division sewer main

Nikolas and Vanessa London / Anthony Brandenburg

Proponent's Name (print)

Signature of proponent or representative

625 and 648 Lomas De Oro Court,

Proponent's Address

Encinitas, CA 92024

City, State, Zip

Pursuant to Section 56700.4 of the California Government Code, this NOTICE OF INTENT TO CIRCULATE PETITION was filed with me on _____

Date

Executive Officer (Print and Sign)

PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Information 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](http://www.sdlafco.org) or by calling 858/614-7755.

Pursuant to Government Code Section 56700.1, any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 [commencing with Section 81000]) as provided for local initiative measures.

Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be submitted to the Secretary of State and the appropriate city or county clerk. Copies of the reports must also be filed with the Executive Officer of San Diego LAFCO.

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(a) The specific change(s) of organization proposed is/are: Leucadia Wastewater District and Cardiff Sanitary Division

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: _____

(d) The reason(s) for the proposal is/are: To participate in a gravity sewer to be constructed to connect to an existing Cardiff Sanitary Division sewer main

(e) Signers of this petition have signed as (select one): landowner; registered voter.

(f) The name(s) and mailing address(es) of the chief petitioner(s) (not to exceed three) is/are:

1. Nikolas John Stranger London 625 Lomas De Oro Court, Encinitas, CA 92024
Name of chief proponent (print) mailing address

2. Vanessa Ayumi London 625 Lomas De Oro Court, Encinitas, CA 92024
Name of chief proponent (print) mailing address

3. Anthony J. Brandenburg, Trustee * 648 Lomas De Oro Court, Encinitas, CA 92024
Name of chief proponent (print) mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) is is not consistent with the sphere-of-influence of any affected city or district.

(i) The territory included in the proposal is (select one) inhabited (12 or more registered voters) uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are: _____

2. The proposed name(s) of the new district(s) is/are: _____

3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: _____

2. Provisions are requested for appointment of: city manager city clerk city treasurer



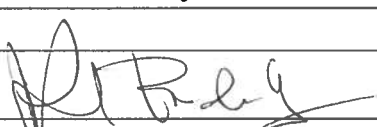
(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: _____

Part IVb: LANDOWNER PETITION

Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed (Govt. Code § 56705).

Each of the undersigned states:

- I personally signed this petition.
- I am a landowner of the affected territory.
- I personally affixed hereto the date of my signing this petition and the Assessor's Parcel Number(s), or a description sufficient to identify the location of my land.

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign  Print <u>Nikolas John Stanger London</u>	265-355-42	1/21/2019	
Sign  Print <u>Vanessa Ayumi London</u>	265-355-42	1/18/19	
Sign  Print <u>Anthony J. Brandenburg, Trustee</u>	265-355-40	1/22/19	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

Part V: MINIMUM SIGNATURE REQUIREMENT FOR A SUFFICIENT PETITION UNDER THE PROVISIONS OF THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

Reorganization—Signatures must comply with the applicable signature requirements for each of the changes proposed (Govt. Code § 56864.1).

District Formation—Signatures as required by the principal act under which the new district is proposed to be formed (Govt. Code § 56860).

Dissolution of a District—For registered voter district: signatures by (a) not less than 10% of the registered voters within the district; or (b) not less than 10% of the number of landowners within the district who also own not less than 10% of the assessed value of land within the district.

—For landowner-voter districts: signatures by not less than 10% of the number of landowners within the district who also own not less than 10% of the assessed value of land within the district.

—If dissolution is for inactivity, the petition must be signed by three or more registered voters or landowners within the subject district and include statement and recitations as required by Govt. Code 56871 (Govt. Code § 56870).

Consolidation of Districts—For registered voter districts: signatures by not less than 5% of the registered voters within each of the districts.

—For landowner-voter districts: signatures by landowners-voters constituting not less than 5% of the number of landowner-voters owning land within each of the several districts who also own not less than 5% of the assessed value of land within each of the districts (Govt. Code § 56865).

Merger of District with City or Establishment of a Subsidiary District—For a registered voter district: signatures by (a) 5% of the registered voters of the district; or (b) 5% of the registered voters residing within the territory of the city outside the boundaries of the district.

—For a landowner-voter district: signatures by (a) 5% of the number of landowner-voters within the district; or (b) 5% of the registered voters residing within the territory of the city outside the boundaries of the district (Govt. Code § 56866).

District Annexation or Detachment—For a registered voter district: signatures by (a) not less than 25% of the number of registered voters within the territory proposed to be annexed or detached; or (b) not less than 25% of the number of landowners within the territory proposed to be annexed or detached who also own not less than 25% of the assessed value of land within the territory.

—For a landowner-voter district: signatures by not less than 25% of the number of landowners owning land within the territory proposed to be annexed or detached who also own not less than 25% of the assessed value of land within the territory (Govt. Code § 56864).

Incorporation of a City—Signatures by: (a) not less than 25% of the registered voters residing in the area to be incorporated; or (b) not less than 25% of the number of owners of land within the territory proposed to be incorporated who also own not less than 25% of the assessed value of land within the territory proposed to be incorporated (Govt. Code § 56764).

Disincorporation of a City—Signatures by not less than 25% of the registered voters residing in the city proposed to be disincorporated (Govt. Code § 56766).

Consolidation of Cities—Signatures by not less than 5% of the registered voters of each affected city (Govt. Code § 56766).

Annexation to a City—Signatures by: (a) not less than 5% of the number of registered voters residing within the territory proposed to be annexed; or (b) not less than 5% of the number of owners of land within the territory proposed to be annexed who also own 5% of the assessed value of land within the territory (Govt. Code § 56767).

Detachment from a City—Signatures by: (a) not less than 25% of the number of registered voters residing within the territory proposed to be detached; or (b) not less than 25% of the number of owners of land within the territory proposed to be detached who also own 25% of the assessed value of land within the territory (Govt. Code § 56768).