



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
Robert Barry, Chief Policy Analyst

SUBJECT: Proposed “Salem-Snyder Road Change of Organization” |
Annexation to Otay Water District (File No. DA19-02)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by an interested landowner to annex approximately 1.5 acres of unincorporated territory to the Otay Water District (WD). The affected territory as submitted is developed with one single-family residence and located within the Valle De Oro community. The proposal purpose is to extend wastewater service to the affected territory and in doing so replace an aging on-site underground septic disposal system. Staff recommends approval of the proposal with a conforming sphere of influence amendment, which necessitates the noticed public hearing. Standard terms are also recommended.

BACKGROUND

Applicant Request | Affected Territory as Proposed

San Diego LAFCO has received a proposal filed from landowner Auday Salem requesting approval to annex approximately 1.49 acres of unincorporated territory in Valle De Oro to Otay WD. As submitted, the affected territory comprises one entire parcel already developed with a single-family residence with a situs of 10610 Snyder Road. The existing single-family residence was built in 1958 and is 3,033 square feet in size with four bedrooms and three bathrooms. The County Assessor identifies the subject parcel as 497-011-37.

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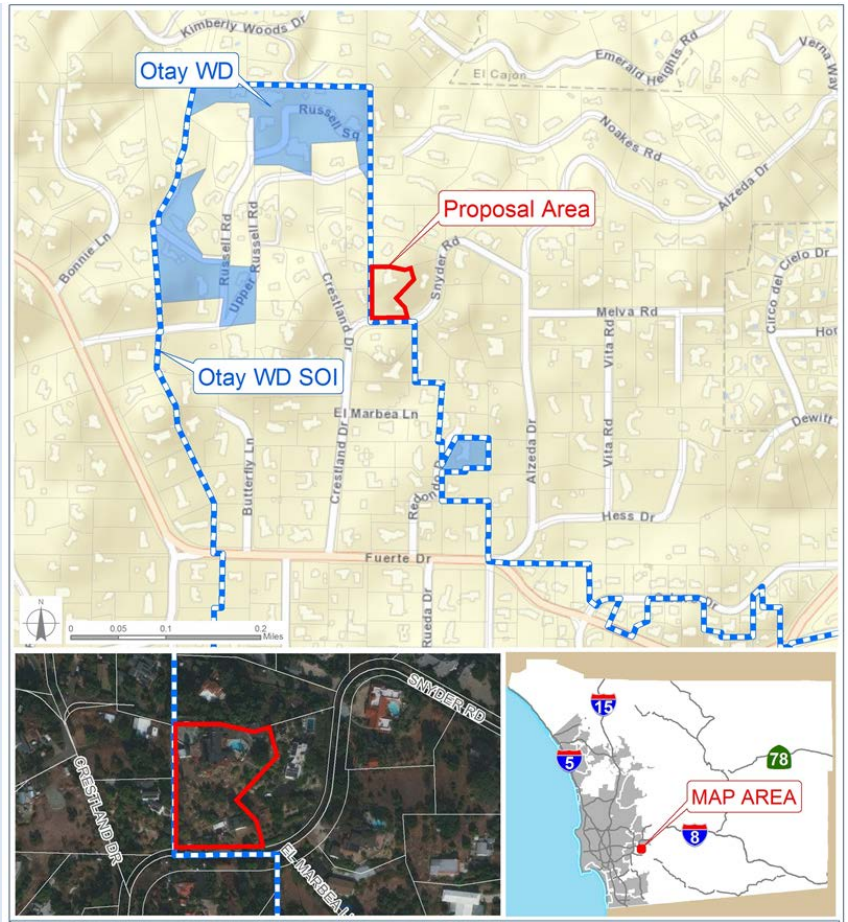
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Affected Territory

- One unincorporated parcel (1.49 acres in size)
- Developed with a single-family residence at 10610 Snyder Road (four bedrooms/three bathrooms)
- Currently on onsite septic system
- Applicant is requesting annexation to Otay WD for wastewater service to residence – not located within sphere of influence
- Water service provided by the Helix Water District
- Within Valle De Oro Community Plan
- No associated development plans

Please refer to Attachment One for a full page vicinity map



Subject Agencies

The proposed change of organization involves one subject agency: Otay WD.¹ A summary description of Otay WD follows.

- Otay WD is an independent special district formed in 1956 for the central purpose of providing water services within an approximate 125.5 square-mile jurisdictional boundary and projected resident service population of 225,164. Otay WD also provides wastewater and recycled water services within portions of its jurisdictional boundary. The jurisdictional boundary includes the unincorporated communities of Spring Valley, La Presa, Rancho San Diego, and Jamul as well as an eastern portion of the City of Chula Vista. Wastewater services are limited to the northern half of the jurisdictional boundary and consists of 6.7 square miles of sewer lines that collects and conveys wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. ²LAFCO most recently updated Otay WD's sphere of influence in 2013 and it presently includes 776 non-jurisdictional acres and equals less than 1% of the jurisdictional boundary. The net position is \$387.5 million as of July 30, 2018.

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

² Sludge is subsequently conveyed to the San Diego Metropolitan Wastewater (METRO) for additional treatment and disposal.

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.³

- Helix Water District
- San Diego County Water Authority
- Metropolitan Water District of Southern California
- San Miguel Consolidated Fire Protection District
- CSA No. 135 (Regional Communications)
- Grossmont Healthcare District
- Resource Conservation District of Greater San Diego County
- San Diego County Flood Control District
- San Diego County Street Lighting District

DISCUSSION

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

Proposal Purpose

The purpose of the proposal is to facilitate the extension of public wastewater service to an existing single-family residence comprising the affected territory in step with removing an aging septic disposal system. Annexation and connection to the Otay WD wastewater system would serve as an alternative to repairing and/or replacing the septic system.

Development Potential

The affected territory as proposed and detailed in Appendix B is planned for low-density single-family residential use by the County of San Diego. These uses are memorialized under the County’s Zoning Ordinance, which assigns the affected territory as Rural Residential and a minimum lot size of 1.0 acres. This assignment precludes additional density within the affected territory given the subject parcel is 1.49 acres in size. Additional intensity, however, is permissible through an accessory unit. The affected territory lies outside the spheres of influence for all nearby cities (La Mesa and El Cajon).

Commission Focus

Three central and sequential policy items underlie the San Diego LAFCO’s consideration of the change of organization. These policy items take the form of new determinations and

³ State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered.

orient the Commission to consider the stand-alone merits of (a) a conforming sphere of influence amendment, (b) timing of the change of organization, and (c) whether discretionary boundary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in and outside of LAFCO law as detailed.

ANALYSIS

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

Central Policy Items

Item No. 1 | Sphere of Influence Amendments

The change of organization proposal necessitates San Diego LAFCO approve a conforming sphere of influence amendment to achieve consistency with the requested annexation pursuant to Government Code Section 56375.5. Consideration of the amendment is premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community benefits and needs as determined by LAFCO. To this end, staff believes it would be appropriate for the Commission to proceed and approve the amendment for the cumulative effect of recognizing Otay WD as the best current and future wastewater service provider for the affected territory given four related policy factors. First, the affected territory lies in a developing residential community of Valle De Oro in which Otay WD is an established wastewater provider. Second, the affected territory is immediately adjacent to an existing Otay WD wastewater main. Third, an amendment would appropriately memorialize a Commission preference to promote the planning and connection therein to a public wastewater system in developing residential areas and eliminate private septic systems whenever feasible. Fourth, the sphere of influence amendment to include the affected territory is self-contained and would not require additional lands in maintaining contiguity. Additional analysis is provided under Appendix A.

Conclusion | Merits of the Sphere Amendments

Approval of the sphere of influence amendment to designate Otay WD as the appropriate provider of public wastewater service for the affected territory is warranted. Justification is marked by the preceding analysis and highlighted by proceeding with a relatively minor amendment to synch the Otay WD sphere to include a developed urban use consistent with the County General Plan and Zoning Ordinance. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 | Change of Organization Timing

The timing of the change of organization appears appropriate and highlighted by the analysis of the factors required for consideration under statute anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts of the proposed annexation on the service and financial capacities of the *receiving* agency, Otay WD (emphasis added). No single factor is determinative, and the intent is to provide a uniform baseline for San Diego LAFCO in considering all jurisdictional changes in context to the Commission’s own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with a complete analysis in Appendix B.

- Service Needs

Annexation of the affected territory to Otay WD would represent a logical and orderly expansion of the District’s jurisdictional boundary and wastewater services therein and marked by accommodating an existing need. Additional details follow.

- Establishing public wastewater services to the affected territory is consistent with the residential land use policies of the County of San Diego; the governmental entity tasked now and into the foreseeable future with community planning by LAFCO as evident by the land not being in any city sphere.
- There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use in the affected territory given the alternative would be to maintain a private septic system. This alternative – among other items – would counter the Commission’s interest and practice in discouraging private septic systems in developing urban areas.

- Service Capacities and Levels

Otay WD has available and sufficient collection and treatment capacities to accommodate projected service demands within the affected territory at its potential maximum uses without expanding any public infrastructure. Additional details on relevant service capacities and levels follow.

- An existing Otay WD wastewater main is located 400-feet from the affected territory within the public right-of-way of Crestland Drive and accessible through a minor extension within Snyder Road and private lateral connection.
- It is projected the maximum average day wastewater demand generated within the affected territory is 300 gallons – one single-family residence and one future potential accessory dwelling unit. This amount represents 0.0115% of the existing available capacity of Otay WD, and as such can be readily accommodated without additional resources or infrastructure planning.

- **Service Funding and Costs**

Otay WD has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its current and planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Otay WD's recent audited statements which shows a positive current ratio of 3.5 and a relatively modest debt ratio of 32%. The District's average total margin from the last three years is (19.5%) but is improving and most recently finished the last fiscal year at (8.5%).

Conclusion | Merits of Change of Organization Timing

The timing of the change of organization and annexation therein of the affected territory to Otay WD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area and reflects available capacities and infrastructure.

Item No. 3 |

Merits of Modification and Terms

Staff has not identified any potential boundary modifications to the proposal that merit consideration by San Diego LAFCO at this time. This includes noting all associated public right-of-ways are appropriately aligned to the Otay WD boundary. Applying standard approval terms appears appropriate.

Conclusion | Merits of Modifications and Terms

No modifications are merited at this time. Standard terms are appropriate.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider any jurisdictional change unless an applicable master agreement applies.⁴ The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. To this end, San Diego LAFCO staff has confirmed the County Board of Supervisors has adopted a Master Enterprise District Resolution applicable to the proposed change of organization. The application of this master agreement will result in a "no" exchange.

⁴ Jurisdictional change is defined under State law to include latent power expansions.

Environmental Review

CEQA requires San Diego LAFCO to assess whether environmental impacts would result from activities approved under the Commission's statutory authority. Accordingly, San Diego LAFCO is tasked with making two distinct determinations as lead agency under CEQA with respect to this proposal. This involves the (a) accommodating sphere of influence amendment and the (b) change of organization itself. The Executive Officer has determined both actions – sphere amendment and the change of organization – qualify as projects under CEQA but are exempt from further review based on the following findings.

- The amendment to the sphere of influence for Otay WD to include the affected territory qualifies for exemption under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and any amendments do not change the environment or authorize any new uses or services.
- The change of organization involving annexation of the affected territory to Otay WD qualifies for exemption under State CEQA Guidelines Section 15319(a). This exemption appropriately applies given the affected territory involves an annexation of land already developed to its maximum density under existing land use policies.

Protest Proceedings

Protest proceeding for the change of organization may be waived by San Diego LAFCO should the Commission proceed with an approval under Government Code Section 56662. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law and the subject agency and landowner have provided their respective written consents to the underlying proceeding.⁵

RECOMMENDATION

Staff recommends approval of the change of organization proposal with a conforming sphere of influence amendment consistent with Alternative One as outlined in the proceeding section. Proceeding with an approval facilitates a relatively modest expansion of wastewater services consistent with current and planned land uses as well as existing public infrastructure and capacities.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO and can be accomplished through a single-approved motion.

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

Alternative One (recommended):

Adopt the attached draft resolution approving the change of organization proposal to annex the affected territory without modification to the Otay WD with a confirming sphere amendment and subject to standard terms.

Alternative Two:

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

Alternative Three:

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

PROCEDURES FOR CONSIDERATION

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

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

On behalf of staff,



Robert Barry, AICP
Chief Policy Analyst

Appendices:

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

Attachments:

- 1) Vicinity Map
- 2) Draft Resolution of Approval
- 3) Proposal Materials

APPENDIX A
STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FACTORS

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

The affected territory is entirely unincorporated and presently developed with a single-family residence consistent with the adopted land use policies of the County of San Diego. The zoning for the affected territory precludes additional density but would allow for more intensity through the addition of one accessory dwelling unit. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law and do not contain open-space lands. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and planned land uses.

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

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use of the affected territory consistent with the surrounding and developing unincorporated community of Valle De Oro. The alternative to public wastewater service would be to replace and maintain a private onsite septic system, which – and among other concerns – would heighten risks associated with future failures to adjacent properties. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and future service needs.

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

Otay WD has sufficient capacities to accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Adding the affected territory to the Otay WD's sphere of influence is consistent with these capacities.

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

The affected territory lies immediately outside Otay WD's sphere of influence and jurisdictional boundary. Amendment to the sphere of influence to include the affected territory would serve to establish social and economic ties between the affected territory and Otay WD consist with the District's expanding role as wastewater provider in the area.

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

The affected territory is not in a census tract qualifying as a disadvantaged unincorporated community under State statute or LAFCO policy.

APPENDIX B
ANALYSIS OF MANDATORY PROPOSAL REVIEW FACTORS
GOVERNMENT CODE SECTION 56668

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

The affected territory includes one unincorporated parcel within the Valle De Oro Community Planning Area of the County of San Diego totaling 1.49 acres.⁶ The subject parcel is developed with an approximate 3,033 square-foot detached single-family residence with four bedrooms and three bathrooms. The application materials identify the affected territory is currently occupied with four residents. The current assessed value of the subject parcel – including land and improvements – is \$1,200,000 with the last transaction recorded in June 2016. The affected territory lies within a developing urban-residential area and in the unincorporated area adjacent to the City of El Cajon on the south. Additional moderate-density residential development in the area is expected to continue during the next 10 years consistent with County's zoning standards.

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

The County of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, and law enforcement. Other pertinent service providers include Helix Water District (domestic water) and San Miguel Consolidated Fire Protection District (fire rescue and ambulance). This proposal affects only wastewater and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**

The affected territory and its existing residential use is currently dependent on an onsite septic system that is believed to have been installed in the 1950s with no major repairs preformed in the last several decades. Otay WD has an existing wastewater main located approximately 400-feet from the affected territory within the adjacent Crestland Drive public right-of-way. Connection to the system is available through a private lateral to a minor main extension within Snyder Road. It is projected the average daily wastewater flow for the affected territory at its maximum potential development use – which includes two units divided between

⁶ The subject parcel is located at 10610 Snyder Road. The County Assessor's Office identifies the subject parcel as 497-011-37-00.

one single-family residence and a potential accessory dwelling unit – is 300 gallons. This projected amount represents less than 0.012% of the current 2.59 million gallons of available and remaining daily contracted capacity allocated to Otay WD.⁷

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

Approving the change of organization would establish economic and social ties between the Otay WD and the affected territory based on mutual interest therein in expanding the role of the District as the wastewater provider for the area.

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

The affected territory is developed as a conforming residential use under the County of San Diego General Plan. Approving the proposed change of organization would facilitate the establishment of public wastewater services to the existing single-family residence currently comprising the affected territory, and in doing so support County's community planning policies. Similarly, approval would be consistent with the Commission's adopted policies to synch urban type uses – which includes low-density residential uses – with urban type services, such as public wastewater. None of the lands qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377.

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

The affected territory does not qualify as "prime agricultural land" under LAFCO law. Specifically, the lands are not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

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

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

⁷ Otay WD wastewater services are limited to the northern half of the jurisdictional boundary and consists of 6.7 square miles of sewer lines that collect and convey wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. Sludge is subsequently conveyed to the San Diego Metropolitan Wastewater (METRO) for additional treatment and disposal. Otay WD has a total of 1.231 MGD contracted METRO capacity rights.

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

The proposal would not add new traffic or otherwise conflict with San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG) for the San Diego Region.

h) The proposal's consistency with city or county general and specific plans.

The affected territory is entirely designated for relatively low density single-family residential use under the adopted land use policies of the County of San Diego. This includes designating and zoning the lands with a minimum parcel size of 1.0 acres. These existing and planned uses are consistent with the proposal's purpose to provide public wastewater to the existing single-family residence as allowed under current zoning.

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

The affected territory is not located within the Otay WD sphere of influence and a concurrent amendment to include the subject parcel is proposed for consistency with the change of organization. See Appendix A for additional details.

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

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

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

Information collected and reviewed as part of this proposal indicates Otay WD appears to have established sufficient financial resources and administrative controls therein relative to providing public wastewater to the affected territory without adversely impacting existing ratepayers. This statement is supported by the following factors.

- Otay WD's last audit covers 2017-2018 and shows the District finished with adequate liquidity levels with an agency-wide current ratio of 3.5 (i.e., \$3.50 in current assets for every \$1.00 in current liabilities).
- Otay WD finished 2017-2018 with moderate capital as evident by a relatively low debt ratio of 32% (i.e., \$68.00 out of every \$100.00 in net assets are free from financing.)
- Otay WD has three audited fiscal years with an average total margin of (10.45%). The most recent year – 2017-2018 – the total margin improved to (8.5%).

The affected territory's landowner will pay all required fees and service charges commensurate with Otay WD's adopted fee ordinance in establishing wastewater services. At present, the residential wastewater service charge for a single-family residence is \$210.96 per year or \$17.58 per month. Serving one additional home as a result of approval of the proposed annexation will not adversely impact existing ratepayers.

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

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

m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The proposed change of organization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments, San Diego Association of Governments.

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

The affected territory is uninhabited as defined LAFCO law (11 registered voters or less). The landowner supports the annexation underlying the change of organization and has provided their written consent to the proceedings.

o) Any information relating to existing land use designations.

The affected territory is unincorporated and subject to the land use and zoning designations of the County of San Diego. The present General Plan use designation is Semi-Rural Residential (Sr-1) which allows up to 1 du/ac.

p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

There is no documentation or evidence suggesting the proposal will have a measurable effect – positive or negative – with respect to promoting environmental justice.

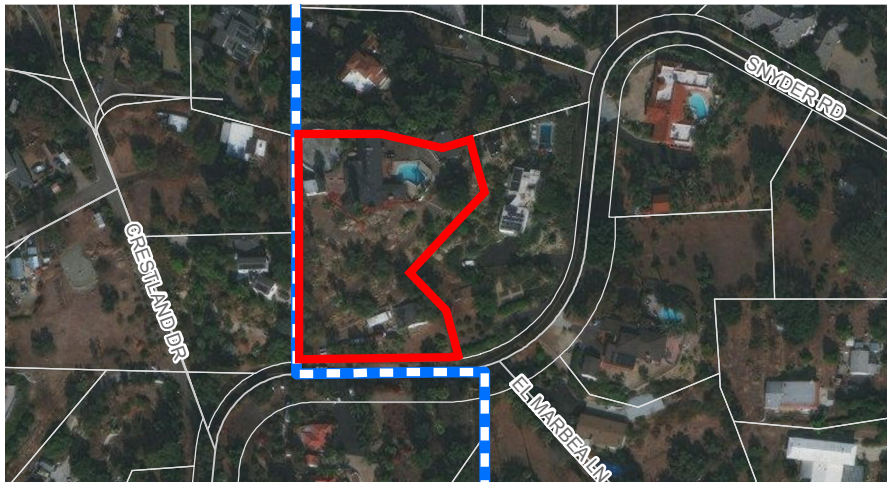
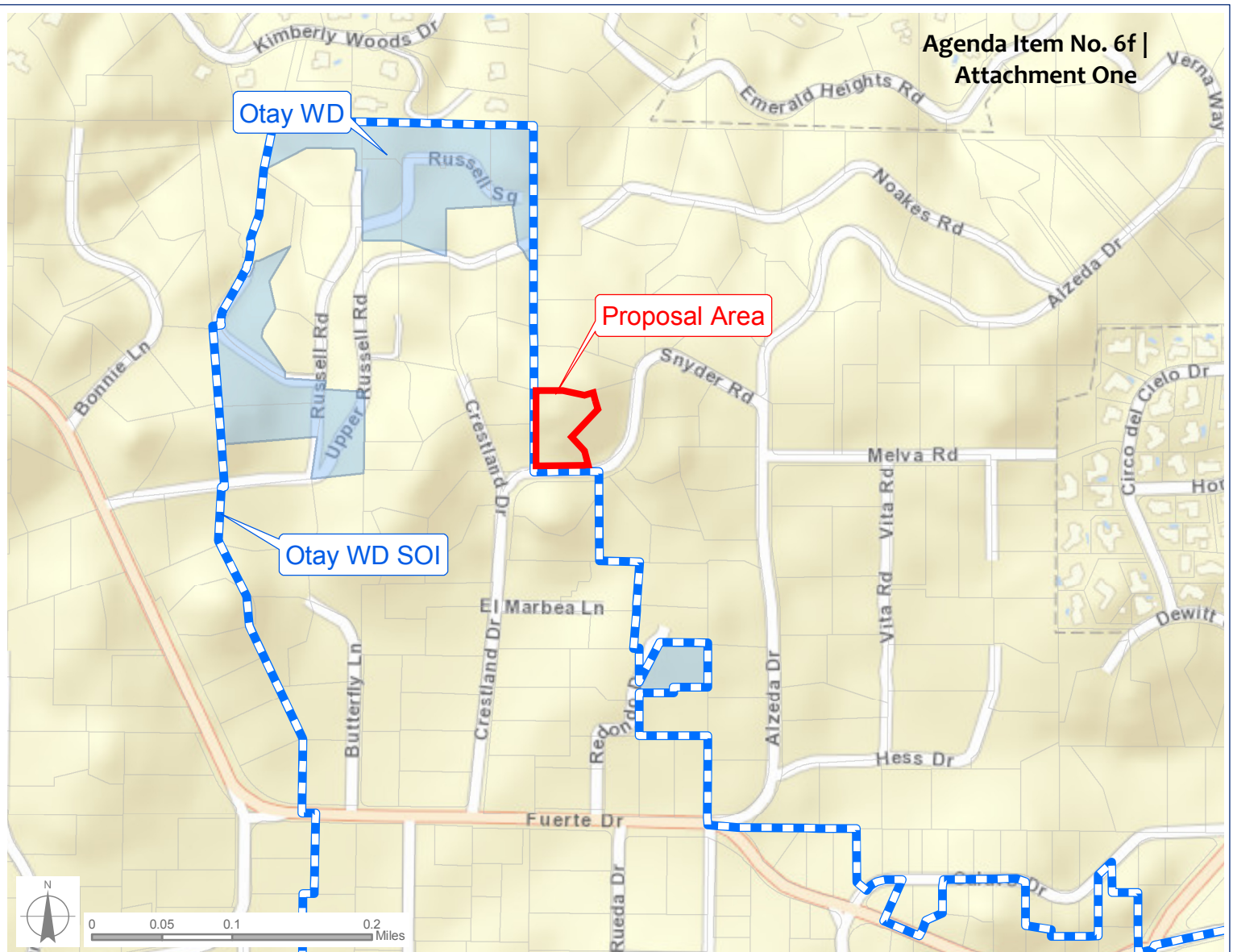
(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone under Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code as relevant.

The County of San Diego has adopted a Multi-Jurisdiction Hazard Mitigation Plan for potential fire, flooding and earthquakes. The affected territory lies outside any threat designations.

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

Approval of the change of organization would be in the best interest of the current and future landowners and/or residents of the affected territory by providing access to reliable public wastewater service going forward. Approval would also benefit adjacent landowners and/or residents by eliminating the operation of a private underground septic systems and the potential therein for failures.

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CO19-02
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PROPOSED "SALEM - SNYDER ROAD CHANGE OF ORGANIZATION" (OTAY WATER DISTRICT)

- Proposal Area
- Otay WD
- Otay WD SOI

SOI = Sphere of Influence



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

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RESOLUTION NO. ____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

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

SALEM-SNYDER ROAD CHANGE OF ORGANIZATION -
ANNEXATION TO THE OTAY WATER DISTRICT
LAFCO FILE NOS. SA19-02; DA19-02

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

WHEREAS, the proposal seeks approval for a change of organization involving annexation of approximately 1.43 acres of unincorporated territory to the Otay Water District for the purpose of establishing public wastewater service; and

WHEREAS, the affected territory as proposed comprises one parcel identified by the County of San Diego Assessor’s Office as 497-011-37, developed with one residence; and

WHEREAS, the affected territory as proposed is not presently located within the sphere of influence of Otay Water District; and

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

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

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

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

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

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

2. At the hearing, the Commission called for, heard, and considered all public comments by interested parties and read and considered the Executive Officer's report.
3. The affected territory is shown as "Exhibit A" and further described as "Exhibit B."
4. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the proposal and as detailed in the Executive Officer's report: (a) accommodating sphere of influence amendment and the (b) change of organization itself. The Commission's findings follow.
 - a) The amendment to the sphere of influence of the Otay Water District to include the affected territory qualifies as a project but is exempt from additional review per State CEQA Guidelines § 15061(b)(3). This exemption appropriately applies because spheres of influence are planning policies and amendments therein do not authorize any new uses or services, and as such provide certainty there will be no significant effect on the environment.
 - b) The change of organization involving annexation of the affected territory to the Otay Water District qualifies as a project but is exempt from additional review under State CEQA Guidelines § 15319(a). Specifically, the annexation can be accommodated through extension of existing public facilities and infrastructure, and the affected territory is already developed at its highest density allowance under the County of San Diego.
5. The Commission conditionally APPROVES the proposal with a conforming sphere of influence amendment consistent with the statements provided as "Exhibit C" and subject to the following terms being satisfied by August 5, 2020 unless an extension is requested and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code § 56895.
 - b) Submittal to the Commission of a final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
 - c) Written confirmation from the Otay Water District all required annexation and wastewater connection fees and charges have been received.
 - d) Submittal to the Commission of the following payments:

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

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

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

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

“Salem-Snyder Drive Change of Organization to the Otay Water District”

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

**

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

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Tamaron Lockett, Executive Assistant
San Diego Local Agency Formation Commission

EXHIBIT C

STATEMENT OF DETERMINATIONS SPHERE OF INFLUENCE FACTORS

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

The affected territory is entirely unincorporated and presently developed with a single-family residence consistent with the adopted land use policies of the County of San Diego. The zoning for the affected territory precludes additional density but would allow for more intensity through the addition of one accessory dwelling unit. These land uses are consistent with the proposal's purpose to establish wastewater services. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are not considered prime agriculture under LAFCO law and do not contain open-space lands. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and planned land uses.

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

There is an existing and reasonable need for public wastewater service to accommodate the current and planned residential use of the affected territory consistent with the surrounding and developing unincorporated community of Valle De Oro. The alternative to public wastewater service would be to replace and maintain a private onsite septic system, which – and among other concerns – would heighten risks associated with future failures to adjacent properties. Adding the affected territory to the Otay WD's sphere of influence is consistent with these present and future service needs.

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

Otay WD has sufficient capacities to accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Adding the affected territory to the Otay WD's sphere of influence is consistent with these capacities.

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

The affected territory lies immediately outside Otay WD's sphere of influence and jurisdictional boundary. Amendment to the sphere of influence to include the affected territory would serve to establish social and economic ties between the affected territory and Otay WD consist with the District's expanding role as wastewater provider in the area.

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

The affected territory is not in a census tract qualifying as a disadvantaged unincorporated community under State statute or LAFCO policy.

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

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

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

1. Notice is hereby given to circulate a petition proposing to: Annex into Olay Water District and detach from County of San Diego Sewer District

2. The reason(s) for the proposal are: Olay district staff has taken no objection to the request for annexation as the property line abuts the Olay District limit and
would provide ease of sanitary disposal and remove risk of septic failure.

Auday Salem
Proponent's Name (print)


Signature of proponent or representative

11274 Lalani Drive
Proponent's Address

La Mesa, CA 91941
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](http://www.sdlafco.org) or by calling 858/614-7755.

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

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

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

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

(a) The specific change(s) of organization proposed is/are: Annex into Otay Water District and detach from
County of San Diego Sewer District

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

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

(d) The reason(s) for the proposal is/are: Otay district staff has taken no objection to the request for annexation as
the property line abuts the Otay District limit and would provide ease of sanitary disposal and remove risk of septic
failure.

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

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

1. Auday Salem 11274 Lalani Drive, La Mesa, CA 91941
Name of chief proponent (print) mailing address

2. _____
Name of chief proponent (print) mailing address

3. _____
Name of chief proponent (print) mailing address

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

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

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

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

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

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

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

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

1. The name of the proposed city is: N/A

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

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

Part IVa: REGISTERED VOTER PETITION

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

Each of the undersigned states:

- I personally signed this petition.
- I am a registered voter within the County of San Diego.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.


Name of Signer	Residence Address	Date Signed	Official Use
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

Part IVb: LANDOWNER PETITION

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

Each of the undersigned states:

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

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign <u></u> Print <u>Auday Salem</u>	497-011-3700	01/08/2019	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			