



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

SPECIAL MEETING AGENDA SPECIAL DISTRICTS ADVISORY COMMITTEE

Friday, June 21, 2019
County of San Diego Administration Center
1600 Pacific Highway, Room 402A
San Diego, California 92101

Chair Kimberly Thorner
Olivenhain Municipal Water District

Vice Chair Julie Nygaard
Tri-City Healthcare District

9:30 A.M. – CALL TO ORDER BY CHAIR

PLEDGE OF ALLEGIANCE

ROLL CALL

AGENDA REVIEW

The Chair will consider requests to remove or rearrange items on the agenda.

PUBLIC COMMENTS

This portion of the meeting is reserved for persons desiring to address the Committee on any germane matter not on the current agenda. All statements that require a response will be referred to LAFCO staff for reply in writing or will be placed on a future agenda.

COMMITTEE MEMBER REPORTS AND ANNOUNCEMENTS

This portion of the meeting is dedicated to members providing brief updates on their respective agency activities and related community announcements.

CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair will also consider requests to pull an item for discussion.

1. Approval of Meeting Minutes | March 15, 2019 (Action)

The Committee will consider draft summary minutes prepared for the last meeting held on March 15, 2019. Staff recommends the Committee approve the summary minutes with any changes or clarification as needed.

CONSENT ITEMS CONTINUED...

2. Ratification of Chair Appointments (Action)

The Committee will consider formal ratification of Chair appointments to the Committee to fill three unexpired terms involving Greg Thomas with Rincon del Diablo Municipal Water District, Fred Cox with Rancho Santa Fe Fire Protection District, and Hector Martinez with South Bay Irrigation District. All appointments require ratification under Committee policy.

3. Update on Current and Pending Proposals (Information)

The Committee will receive a report identifying current proposals on file with LAFCO. The report also identifies pending proposals staff anticipates being filed in the near-term. Information only.

4. Informational Report on Implementing Senate Bill 1266 | Joint Power Authority Filings with San Diego LAFCO (Information)

The Committee will receive a report on joint power authority filings made with LAFCO under Senate Bill 1266. The report also serves as reminder for local agencies to file their applicable agreements to remain eligible to incur new bonded debt. Information only.

BUSINESS ITEMS

5. Adopted LAFCO Workplan for FY 2019-2020 (Discussion)

The Committee will review LAFCO's adopted workplan for FY 2019-2020. The accompanying presentation will highlight high priority projects that have been formally scheduled for the upcoming fiscal year with an opportunity for the Committee to provide related feedback ahead of staff initiating specific activities.

6. Draft Municipal Service Review | San Diego County Sanitation District (Discussion)

The Committee will review a draft municipal service review report prepared on the San Diego County Sanitation District. The accompanying presentation will highlight pertinent conclusions and recommendations generated in the draft report and is being presented for discussion and feedback ahead of preparing a final document.

7. Election Update and Direction to Nominating Committee | District Representative on Consolidated Redevelopment Oversight Board (Discussion)

The Committee will receive an update on the current election to appoint a special district representative to serve on the San Diego County Consolidated Redevelopment Oversight Board. The Committee will also consider providing feedback to the Chair in establishing a nominating committee and its task to make a candidate recommendation.

8. Preview of New LAFCO Website (Discussion)

The Committee will receive a preview of the new LAFCO website under development. Discussion and feedback on the new website – including suggested changes – is welcomed ahead of the site going live this summer. Verbal report only.

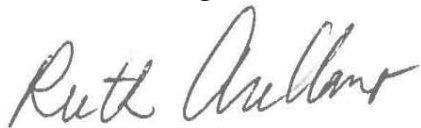
EXECUTIVE OFFICER REPORT

- New Commissioners
- Implementation of New Fee Schedule
- Notice of Expiring Committee Terms
- Legislative Items

ADJOURNMENT TO NEXT MEETING

September 20, 2019

Attest to Posting:



Ruth Arellano
Executive Assistant

Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) working days prior to the meeting at 858-614-7755 for any requested arraignments or accommodations.

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AGENDA REPORT
 Consent | Action

June 21, 2019

TO: Chair Thorner and Committee Members
FROM: Ruth Arellano, Executive Assistant
SUBJECT: Approval of Meeting Minutes for March 15, 2019

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive summary minutes prepared for the last meeting held on Friday, March 15, 2019. The minutes are in draft-form and being presented for formal approval with any desired corrections or clarifications as requested by the Committee.

BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and established standards for the public to attend and participate in meetings of local government bodies. The “Brown Act” requires – and among other items – public agencies to maintain written minutes for qualifying meetings.

DISCUSSION

This item is for the Committee to consider approving summary minutes prepared by staff for the March 15, 2019 meeting consistent with the Brown Act.

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

The attached summary minutes for the March 15, 2019 meeting accurately reflect the Committee's deliberations as recorded by staff. An audio recording of the meeting has also been posted on the San Diego County Local Agency Formation Commission's website.

RECOMMENDATION

It is recommended the Committee approve the draft summary minutes prepared for the March 15, 2019 meeting as presented. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Committee through a single motion:

Alternative One (recommended):

Approve the draft summary minutes prepared for the March 15, 2019 meeting with any desired corrections or clarifications.

Alternative Two:

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

PROCEDURES

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

Respectfully,



Ruth Arellano
Executive Assistant

Attachment:

- 1) Draft Meeting Minutes for March 15, 2019

DRAFT
LOCAL AGENCY FORMATION COMMISSION
SPECIAL DISTRICTS ADVISORY COMMITTEE
MARCH 15, 2019 MEETING

There being a quorum present, the meeting was convened at 9:30 a.m., by Pro Tem Chair Mark Robak. Other Committee members in attendance: Gary Arant (Valley Center MWD); Bill Haynor (Whispering Palms CSD); Tom Kennedy (Rainbow MWD); Erin Lump (Rincon del Diablo MWD); John Pastore (Rancho Santa Fe CSD); Augie Scalzitti (Padre Dam MWD); Joel Scalzitti (Helix WD); Tom Pocklington (Bonita-Sunnyside FPD); Larry Converse (Rancho Santa Fe FPD); Robert Thomas (Pomerado CD); and Sheryl Landrum (RCD of Greater San Diego County). Committee members absent: Chairwoman Kimberly Thorner (Olivenhain MWD); Vice Chairwoman Julie Nygaard (Tri-City HCD); and Jack Bebee (Fallbrook PUD). LAFCO staff in attendance: Executive Officer Keene Simonds; Chief Governmental Analyst Robert Barry; Local Governmental Analyst Linda Zambito; Local Governmental Analyst Alex Vidal; GIS/IT Analyst Dieu Ngu; Local Government Consultant John Traylor; Executive Assistant Ruth Arellano; and Administrative Assistant Erica Blom.

ROLL CALL

Due to the scheduled absences of both Chair Kim Thorner and Vice Chair Julie Nygaard the Executive Officer requested the Committee Clerk Ruth Arellano inform the Committee what the procedure is for appointing a Chair, Pro Tem. The Committee Clerk announced to the Committee members present that by majority vote, the Committee will need to appoint a member as a Chair Pro Tem (Acting Chair) for this meeting.

On motion by Augie Scalzitti and seconded by Tom Kennedy the Committee unanimously appointed Mark Robak as Chair Pro Tem. The Chair Pro Tem proceeded to call the meeting to order at 9:30 a.m. and then requested a roll call from the Committee Clerk with the results detailed above.

PLEDGE OF ALLEGIANCE

The Chair Pro Tem led the Pledge of Allegiance.

AGENDA REVIEW

The Chair Pro Tem asked if there were any revisions to the agenda. The Executive Officer requested the Committee provide time for a presentation from Chris Palmer with the California Special Districts Association (CSDA). The Executive Officer also announced and provided brief introductions of two new Committee members: Larry Converse with Ramona Municipal Water District and Sheryl Landrum with Resource Conservation District of Greater San Diego County. The Chair Pro Tem welcomed both new Committee members.

PUBLIC COMMENTS

The Chair Pro Tem invited public comments. No comments received. The Pro Tem Chair proceeded to invite Chris Palmer with CSDA to address the Committee. Mr. Palmer provided updates on current legislation and invited interested parties to attend the upcoming CSDA event, Leadership Academy from April 7th – 10th in San Diego.

COMMITTEE MEMBER REPORTS AND ANNOUNCEMENTS

Committee members provided brief updates on current and/or planned activities with their special districts. The Executive Officer also introduced LAFCO staff, including new Local Government Analyst Alex Vidal.

CONSENT ITEMS

Item 1

Approval of Minutes of December 14, 2018

On motion of Gary Arant, seconded by Tom Kennedy, and carried unanimously by the remaining Committee members present; the Committee dispensed with reading the minutes of the December 14, 2018 and approved said minutes as presented.

Item 2

Ratification of Appointments to the Committee

The Committee agreed to consider formal ratification of Chair appointments to the Committee to fill unexpired terms for vacated positions by Tony Michel (Rancho Santa Fe FPD); Teresa Thomas (South Bay Irrigation District); and Dennis Shepard (North County Cemetery District). On motion of Tom Kennedy, seconded by Gary Arant, and carried unanimously by the remaining Committee members present; the Committee approved ratification of Chair appointments to fill unexpired terms for the current vacant positions.

Item 3

Update on Current and Pending Proposals

The Committee reviewed the report identifying current proposals on file with the Commission and key policy and/or service issues therein. This item was for information only. No action was required.

BUSINESS ITEMS

Item 4

Review of Proposed LAFCO Workplan and Budget for FY 2019–20

The Executive Officer presented the item and detailed therein the proposed workplan and operating budget for 2019-2020. General discussion followed with the Committee agreeing both items appeared reasonable. The Committee also suggested it would be appreciated if the Executive Officer return with a final version of the workplan for additional discussion.

BUSINESS ITEMS CONTINUED...

Item 5

Review of Pending Commission Policy Updates

The Executive Officer presented the item, which included separate policy updates involving the LAFCO fund balance and agricultural preservation policies. General discussion followed with the Committee agreeing the proposed update to the fund balance seemed reasonable. The Committee separately suggested more work was needed on the proposed update to the agricultural preservation policies, and suggested LAFCO pause its activities in order to solicit and engage stakeholders.

Item 6

Primer on Government Code Section 56133

The Chief Governmental Analyst presented the item and LAFCOs' role therein in overseeing the approval process for cities and special districts to provide new or extended municipal services beyond their jurisdictional boundaries by contracts or agreements. General discussion followed with the Committee expressing interest to participate in LAFCO's planned policy update in 2019-2020 regarding the review and approval process for outside service contracts in San Diego County.

ADJOURNMENT TO NEXT REGULAR MEETING

There being no further business to come before the Special Districts Advisory Committee, the Chair Pro Tem adjourned at 11:12 a.m. to the next scheduled meeting on June 21, 2019.

Attest,

Ruth Arellano
Committee Clerk

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AGENDA REPORT
 Consent | Action

June 21, 2019

TO: Chair Thorner and Committee Members

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

**SUBJECT: Ratification of Chair Appointments |
 Three Appointments to the Special Districts Advisory Committee**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will consider a procedural item to ratify Chair appointments to fill three unexpired terms due to recent resignations. The three appointments involve Fred Cox with the Rancho Santa Fe Fire Protection District, Hector Martinez with the South Bay Irrigation District, and Greg Thomas with the Rincon del Diablo Municipal Water District. The ratification process is provided under policy and is being presented for formal Committee approval.

BACKGROUND

Special Districts Advisory Committee

The Committee was created in August 1971 and tasked with providing feedback on germane topics to assist the San Diego County Local Agency Formation Commission (LAFCO) in fulfilling its prescribed regulatory and planning functions. The Committee consists of 16 members collectively drawn from the current 58 independent special districts in San Diego County and comprise both elected and staff officials. Members serve four-year terms and are appointed by the independent special districts through an

<p>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</p>	<p>Jim Desmond County of San Diego</p> <p>Vice Chair Dianne Jacob County of San Diego</p> <p>Greg Cox, Alternate County of San Diego</p>	<p>Mary Casillas Salas City of Chula Vista</p> <p>Bill Wells City of El Cajon</p> <p>Serge Dedina, Alternate City of Imperial Beach</p>	<p>Mark Kersey City of San Diego</p> <p>Chris Cate, Alternate City of San Diego</p>	<p>Chair Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>Erin Lump, Alternate Rincon del Diablo MWD</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alternate General Public</p>
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election process administered by LAFCO staff. Committee policies also allow the Chair to appoint members to fill unexpired terms as needed.

Current Vacancies

Three Committee members recently resigned and have left unexpired terms. These resignations involve Erin Lump with the Rincon del Diablo Municipal Water District, John Pastore with the Rancho Santa Fe Community Services District, and Teresa Thomas with the South Bay Irrigation District.

DISCUSSION

This procedural item is for the Committee to consider formal ratification of the Chair's recent appointments to fill three vacant and unexpired terms as summarized below.

- Fred Cox has been appointed to assume the unexpired term of John Pastore. Mr. Cox is the current Fire Chief and General Manager for the Rancho Santa Fe Fire Protection District. The appointment runs through October 31, 2019.
- Hector Martinez has been appointed to assume the unexpired term of Teresa Thomas. Mr. Martinez is a current board member of the South Bay Irrigation District. The appointment runs through October 31, 2020.
- Greg Thomas has been appointed to assume the unexpired term of Erin Lump. Mr. Thomas is the current General Manager for Rincon del Diablo Municipal Water District. The appointment runs through October 31, 2019.

ANALYSIS

The appointments summarized in the preceding section have been made by the Chair consistent with policy and help to ensure the Committee roster remains intact with appropriate regional representation. All appointments are effective immediately and run through the referenced term date above.

RECOMMENDATION

It is recommended the Committee proceed to ratify the Chair appointments consistent with the option listed as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Committee through a single motion:

Alternative One (recommended):

Ratify the Chair appointments to the Committee as follows:

- a) Fred Cox is appointed to an unexpired term ending on October 31, 2019.
- b) Hector Martinez is appointed to an unexpired term ending on October 31, 2020.
- c) Greg Thomas is appointed to an unexpired term ending on October 31, 2019.

Alternative Two:

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

PROCEDURES

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

Respectfully,



Keene Simonds
Executive Officer

Attachments: none

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AGENDA REPORT
 Consent | Information

June 21, 2019

TO: Chair Thorner and Committee Members

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

SUBJECT: **Current Proposals and Related Activities**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive a report summarizing active proposals on file with the San Diego County Local Agency Formation Commission (LAFCO). The report also summarizes substantive new proposals that are expected to be filed in the near-term. This item is being presented for information only.

BACKGROUND

LAFCO proceedings to consider proposed changes of organization or reorganizations – which include incorporations, formations, annexations, detachments, mergers, consolidations, and service power activations or divestitures – are prescribed under statute and may be initiated by landowners, voters, or local agencies. LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Once proposals are deemed complete they are scheduled for Commission hearing. Proposals involving outside service extension requests follow separate proceedings and may be administratively approved by the Executive Officer if addressing documented public health or safety threats.

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DISCUSSION

This item is being presented for information only and identifies all active proposals currently on file with San Diego LAFCO as detailed in Attachment One. Anticipated filings are also documented for purposes of telegraphing future workload.

Active Proposals

San Diego LAFCO is currently processing 26 active proposals. These active proposals range in scope from pre-hearing to post-hearing with the latter category representing items already approved by the Commission but awaiting the completion of conducting authority proceedings (i.e., protest) and/or terms.

Anticipated Proposals

San Diego LAFCO anticipates the near-term filing of eight new and substantive proposals based on ongoing discussions with proponents.¹ The majority of these pending proposals are located in the north county region with several therein aimed at accommodating large residential subdivisions.

RECOMMENDATION

It is recommended the Committee review the report on current and pending proposals with San Diego LAFCO with the invitation to discuss and ask questions of staff.

ALTERNATIVES FOR ACTION

This item is being presented for information only; no action.

PROCEDURES

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

On behalf of staff,



Linda Zambito
Analyst I

Attachment: as stated

¹ Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

SAN DIEGO LAFCO PROPOSAL SUMMARY

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSALS <u>PENDING COMMISSION ACTION</u>			
1	DA08-10 "Avocado Way-Potter Annexation" - Vallecitos WD (Annexation)	Robert Barry	Proposal application submitted in March 2008 for annexation to Vallecitos WD for sewer service for two existing single-family residences along Avocado Way. Application deemed incomplete in April 2008 status letter. A new status letter was sent to the applicant in January 2018 stating the proposal will be considered abandoned unless notified otherwise. The current property owner has responded and conveyed their interest to proceed with the annexation. Ongoing discussions with Vallecitos WD as of 2018.
2	RO08-09 "South Mollison Ave-Snyder Reorganization" - City of El Cajon (Annexation)	Robert Barry	Proposal application submitted in May 2008 for annexation to the City of El Cajon. The annexation area includes approximately 1.25 acres and is subject to a proposed multi-family residential project. Application deemed incomplete in June 2008 status letter. A new status letter was sent in January 2018 to the applicant, new property owner, and City stating the proposal will be considered abandoned unless notified otherwise. No response to date.
3	RO08-15 SA08-15 "Crestlake Estates Reorganization" - San Diego County SD (Annexation) - Lakeside FPD (Annexation) - CSA 69 (Annexation)	Robert Barry	Proposal application submitted in May 2008 for annexation to San Diego County SD, Lakeside FPD, and CSA No. 69 to respectively provide sewer, fire protection, and emergency medical transport services to an approved Tentative Map involving development of 60 single-family residences. Application deemed incomplete in June 2008 status letter. A new status letter was sent to the applicant in February 2018 stating the proposal will be considered abandoned unless notified otherwise. No response to date.
4	DA12-02 "Lorch Annexation" - Borrego WD (Annexation)	Robert Barry	Proposal application submitted in March 2012 for annexation of one vacant parcel totaling approximately 9.4 acres to the Borrego Water District for water service. Application deemed incomplete in an April 2012 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Borrego WD responded and has reinitiated discussions with the landowner regarding possible service terms.
5	RO06-17 "Tobacco Road Reorganization" - City of Escondido (Annexation)	Robert Barry	Proposal application submitted in March 2006 for annexation of six unincorporated parcels to the City of Escondido for wastewater Service. The proposal application was deemed incomplete in an April 2006 status letter. In 2006, LAFCO approved two contractual wastewater service agreements between the City of Escondido and two of the six properties for extension of wastewater service to two single-family residences with failing septic systems located along Tobacco Road. A new status letter was sent in January 2018 stating the reorganization proposal will be considered abandoned unless notified otherwise. Two of the subject landowners have responded to the letter and are working with the City to determine if the other landowners are interested/willing to proceed with the annexation at this time.

SAN DIEGO LAFCO PROPOSAL SUMMARY

6	DA16-10	<p>“CSA 17 Harmony Grove Annexation”</p> <ul style="list-style-type: none"> - CSA 17 (Annexation) 	Linda Zambito	<p>Proposal submitted in May 2016 for annexation of approximately 3,600 acres to CSA 17 for ambulance transport services. Proposal submittal was required by LAFCO as cross-condition of approval for the Rancho Santa Fe FPD Reorganization involving dissolution of CSA No. 107 (Elfin Forest/Harmony Grove). The proposal application was deemed incomplete in a June 2016 status letter. The CSA 17 Advisory Committee has opposed the annexation. A negotiated property tax exchange agreement would be necessary. LAFCO staff met with the applicant in August 2018 to provide assistance.</p>
7	RO16-11	<p>“Rancho Hills Annexation”</p> <ul style="list-style-type: none"> - Rancho Santa Fe CSD (Annexation) 	Robert Barry	<p>Proposal submitted in October 2016 for annexation of a portion of a 37-lot residential subdivision titled “Rancho Hills” to Rancho Santa Fe CSD for wastewater service. A concurrent latent power expansion for Olivenhain MWD is needed to accommodate sewer to the remaining project site. The proposal was deemed incomplete in November 2016 status letter. Applicant has requested the proposal processing be placed on hold. Staff has remained in contact with the applicant and is awaiting their confirmation to proceed.</p>
8	SA16-13 RO16-13	<p>“Windmill Construction Reorganization”</p> <ul style="list-style-type: none"> - City of La Mesa (Annexation) - San Miguel FPD (Detachment) - CSA 135 (Detachment) 	Robert Barry	<p>Proposal submitted in October 2016 for annexation of one unincorporated parcel totaling approximately 0.13 acre to the City of La Mesa for development of one single-family residence. Proposal originally submitted as a contractual wastewater service agreement and subsequently transitioned into a reorganization as a City condition of wastewater service. The proposal application was deemed incomplete in a November 2016 status letter. City of La Mesa has approved a General Plan Amendment and established land use and rezoning designations for the affected territory. Staff is in contact with the applicant and City to address outstanding information needed to complete administrative review.</p>
9	SA17-07 RO17-07	<p>“San Marcos Highlands Reorganization”</p> <ul style="list-style-type: none"> - City of San Marcos (Annexation) - San Marcos FPD (Annexation) - Vista FPD (Detachment) - Vallecitos WD (Sphere Amendment, Annexation) - Vista ID (Detachment) - Tri-City Healthcare District (Detachment) - Palomar Health Healthcare District (Annexation) 	Robert Barry	<p>Proposal submitted in June 2017 by resolution of the City of San Marcos. Involves annexation of approximately 125 acres to the City of San Marcos. The proposal also involves concurrent reorganizations between the San Marcos FPD and the Vista FPD for fire protection services, between the Vallecitos WD and Vista ID for the provision of water and wastewater services, and between the Tri-City HD and Palomar Health HD for healthcare services. San Marcos has approved development plans and environmental review for a proposed 189-SFR development on the affected territory titled “San Marcos Highlands.” Conditions of approval for the development requires the City and County to execute a habitat protection agreement with State and Federal agencies for the project area. The submitted proposal application is incomplete pending receipt of additional documentation – including the referenced habitat document – and information from the applicant to complete staff’s analysis.</p>
10	RO18-13 SA18-13	<p>“Pauma Valley Fire Reorganization”</p> <ul style="list-style-type: none"> - CSA No. 135 (Latent Powers Expansion) - Pauma Valley MWD (Divestiture) - Yuima MWD (Divestiture) - Mootamai MWD (Divestiture) 	Linda Zambito	<p>Proposal submitted in August 2018 by resolution from Pauma Valley MWD, Yuima MWD, Mootamai MWD and CSA No. 135, involves divestiture of fire and EMS service responsibilities to CSA No. 135, and requires a latent power expansion and sphere amendment to include the affected territory. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.</p>

SAN DIEGO LAFCO PROPOSAL SUMMARY

11	RO19-01 SA19-01	“Lomas De Oro Court Change of Organization” - Leucadia Wastewater District (Detachment)	Robert Barry / Alex Vidal	Proposal submitted by landowner petition in February 2019. Involves detachment from the Leucadia WWD of two developed incorporated parcels totaling approximately 1.18 acres. Detachment from Leucadia WWD is requested as a City of Encinitas condition of wastewater service to the parcels. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
12	RO19-02	“Salem – Snyder Road Change of Organization” - Otay Water District (Annexation)	Robert Barry / Alex Vidal	Proposal submitted in February 2019 by landowner petition. Involves annexation of one residential lot totaling approximately 1.49 acre for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
13	Ro19-04	“Ortega – Olde Highway 80 Change of Organization” - San Diego County Sanitation District (Annexation)	Linda Zambito	Proposal submitted in February 2019 by landowner petition. Involves annexation of two residential lots totaling approximately 5.07 acres for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
14	RO19-06	“Orchard Hills Reorganization” – Vista Irrigation District & Vallecitos Water District	Robert Barry	Proposal submitted in March 2019 by landowner petition. Involves detachment from Vista ID and annexation to Vallecitos WD of one parcel totaling approximately 12.5 acres for wastewater and water services. The affected territory is subject to a County of San Diego tentative map (TM5570) for a 20-lot residential subdivision. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
15	DA19-07 OAS19-07	“Rains – Acacia Avenue Change of Organization and Contractual Wastewater Service Agreement” - San Diego County Sanitation District (Annexation, OAS)	Robert Barry / Alex Vidal	Proposal submitted in April 2019 by landowner petition, involves the annexation of one parcel totaling approximately 0.45 acres for wastewater service due to a failing septic system. The County Department of Environmental Health has provided documentation regarding the failing status of the existing single-family residence’s septic system. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. A temporary contractual wastewater service agreement was administratively approved by the Executive Officer on May 14, 2019 to allow an expedited connection in response to the documented health emergency to the residents.
16	RO19-08 OAS19-08	“Wilmott-Champagne Boulevard Reorganization” Valley Center Municipal Water District (Annexation) Vallecitos Water District (Detachment)	Robert Barry	Proposal submitted in June 2019 by landowner petition, involves annexation of one developed parcel totaling approximately 1.43 acres for water service due to a failing well. The County Department of Environmental Health has provided documentation regarding the failing status of the existing well. The submitted proposal application is incomplete pending receipt of additional documentation and information from the applicant to complete staff’s analysis. A temporary contractual water service agreement was administratively approved by the Executive Officer on June 18, 2019 to allow an expedited connection to the single-family residence in response to the documented health emergency to the residents.

SAN DIEGO LAFCO PROPOSAL SUMMARY

ACTIVE POST COMMISSION ACTION				
17	DA16-15 SA16-15	<p>“Alpine Islands Annexation”</p> <ul style="list-style-type: none"> - Alpine FPD (Annexation) - CSA 135 – LP Fire Area (Latent Powers Divesture) 	Robert Barry	<p>Proposal submitted November 2016 and involved the annexation of approximately 6,600+ acres of remaining non-jurisdictional lands within Alpine FPD’s existing sphere and as part of the continued draw-down following dissolution of Rural FPD. A negotiated property tax exchange agreement was created between the District and the County. The proposal was approved by the Commission on February 4, 2019 and is now pending recordation once all terms are satisfied. A noticed protest hearing was held on March 13, 2019 at the LAFCO office. No protest was received by affected registered voters or landowners.</p>
18	SA16-20 LP16-20	<p>“CSA 135 Islands Reorganization”</p> <ul style="list-style-type: none"> - CSA 135 – LP Fire Area (Latent Powers Expansion) - Bonita-Sunnyside FPD (Annexation) - Lakeside FPD (Annexation) - San Miguel FPD (Annexation) - Ramona MWD (Annexation) 	Robert Barry	<p>Proposal submitted November 2016 and involved the annexation of remaining unserved Islands 2, 3, and 4 within Heartland area and reorganization of local fire service territory among five agencies: CSA 135; Bonita-Sunnyside FPD; Lakeside FPD; Ramona MWD; and San Miguel FPD. Reorganization proposal submitted by resolution of the San Diego County Fire Authority. Involves annexation to the subject agencies and expansion of CSA No. 135’s latent powers to provide fire protection and emergency medical services to three unincorporated and unserved island areas totaling approximately 21,048 acres. A concurrent amendment to add the affected territory to the subject agencies’ spheres of influence is also required to accommodate the proposed action. The proposal was approved by the Commission on February 4, 2018 and is now pending recordation once all terms are satisfied. A noticed protest hearing was held on March 13, 2019 at the LAFCO office. No protest was received by affected registered voters or landowners.</p>
19	SA18-07 OAS18-07	<p>“Carmichael Drive – Wyman Service Agreement”</p> <ul style="list-style-type: none"> - City of La Mesa (Sphere Amendment, OAS) 	Robert Barry	<p>Proposal involves an outside service extension for the City of La Mesa to provide sewer service to one developed single-family lot. The purpose of the request is to allow the landowner to proceed with an intensity improvement to develop an accessory workshop unit, which exceeds the permitted capacity of the onsite septic system. The proposal was approved by the Commission on April 8, 2018 and is now pending recordation once all terms are satisfied.</p>
20	RO18-09	<p>“Julian – Cuyamaca FPD Reorganization”</p> <ul style="list-style-type: none"> - Julian – Cuyamaca FPD (Dissolution) - CSA 135 (Latent Power Expansion) 	John Traylor	<p>Proposal submitted April 2018 involved the dissolution of the approximate 52,100 acre Julian-Cuyamaca FPD and concurrent authorization for CSA No. 135 to assume fire protection and emergency medical services for the approximate 51,800 acre affected territory. The proposal was approved by the Commission on September 10, 2018 with a subsequent protest hearing held on October 16, 2018. Submitted written protest from registered voters was sufficient to require an election. The election was held by mail ballot and resulted in 54% of the registered voters approving dissolution of the District and transfer of authority to CSA 135. LAFCO has filed a Certificate of Completion; however, the proposal is under judicial review due to litigation filed by opponents and accordingly remains “active” for reporting purposes.</p>

SAN DIEGO LAFCO PROPOSAL SUMMARY

21	DD18-10	“Pala Band of Mission Indians Detachment” - San Luis Rey MWD (Detachment)	Robert Barry	Proposal submitted April 2018 by petition of the landowners for detachment of approximately 338.03 acres from the San Luis Rey Municipal Water District. The proposal area includes 13 unincorporated parcels that are owned by the Pala Band of Mission Indians but are not part of the Pala Reservation area. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied.
22	DA18-15	“Menchaca-St. Paul St Annexation” - Vallecitos Water District (Annexation)	Linda Zambito	Proposal submitted in September 2018 by landowner petition from Vallecitos Water District, involves the annexation of an approximately 1.59 acre lot. The proposal was approved by the Commission on March 4, 2018 and is now pending recordation once all terms are satisfied.
23	RO18-16	“Stonemark Estates Reorganization” - City of Vista (Annexation) - Buena SD (Detachment) - Vista FPD (Detachment)	Robert Barry	Proposal submitted in October 2018 by resolution from the City of Vista, involves annexation of approximately 31.75 acres and concurrent detachment from Buena Sanitation District and Vista Fire Protection District. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied.
24	CO18-17 DA18-17	“Nordahl Road-Diaz Change of Organization” - Vallecitos Water District (Annexation)	Robert Barry	Proposal submitted in October 2018 by landowner petition, involves the annexation of an approximately 3.8 acre lot. The proposal was approved by the Commission on March 4, 2018 and is now pending recordation once all terms are satisfied.
25	CO18-18 DA18-18	“Eolus Avenue – Ryan Change of Organization” - Leucadia Wastewater District (Annexation)	Linda Zambito	Proposal submitted by resolution from Leucadia Wastewater District in December 2018 and involves the annexation of an approximately 0.69 acre lot. The proposal was approved by the Commission on April 8, 2018 and is now pending recordation once all terms are satisfied.
26	RO19-03	“Bonsignore – Guava Lane Change of Organization” - Otay Water District (Annexation)	Linda Zambito	Proposal submitted in February 2019 by landowner petition, involves annexation of one approximately 0.98 acre residential lot for wastewater service. The proposal was approved by the Commission on May 6, 2019 and is now pending recordation once all terms are satisfied.

SAN DIEGO LAFCO PROPOSAL SUMMARY

PENDING PROPOSAL SUBMITTALS

(No project manager; inquiries should be direct to Robert Barry)

27	Pending	“Safari Highlands Reorganization” - City of Escondido		This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an expected submittal to LAFCO later in 2018. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All of the affected territory lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.
28	Pending	“Rancho Lomas Verde Reorganization” - City of Vista		This anticipated reorganization involves annexation of approximately 300 acres to the City of Vista and concurrent detachments from CSA 135 and the Vista FPD to facilitate a 153-lot residential development. Close to three-fourths of the project area lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.
29	Pending	“Sager Ranch Reorganization” - City of Escondido		This anticipated reorganization involves annexation of approximate 1,800 acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the development of approximately 200 acres to include 203 residential units and a 225-room resort. Portions of the project area lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.
30	Pending	Valiano Specific Plan (TM-5575) – Rincon del Diablo MWD (wastewater) or City of Escondido (Wastewater OAS)		This anticipated proposal involves the Eden Hills project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 239 acres to include 326 residential units. Wastewater service would be either via contractual agreement with City of Escondido or expansion of RDDMWD wastewater LP area and sphere.
31	Pending	Harmony Grove Village South (TM-626) – Rincon del Diablo MWD (Wastewater)		This anticipated reorganization involves expansion of the Rincon del Diablo MWD’s activated latent wastewater service area and service-specific to include the Harmony Grove Village South project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 111 acres to include 453 residential units.
32	Pending	Otay Mesa Landfill – City of Chula Vista		This anticipated reorganization involves annexation of the Otay Mesa Landfill to the City of Chula Vista.

SAN DIEGO LAFCO PROPOSAL SUMMARY

33	Pending	"Sweetwater Road Reorganization" – City of National City, Lower Sweetwater FPD, and CSA No. 135		This anticipated reorganization involves annexation of two parcels to the City of National City for commercial development. Includes concurrent detachments from Lower Sweetwater FPD and CSA No. 135 (Regional Communications).
34	Pending	Fallbrook Public Utility District and Rainbow Municipal Water District Reorganization		This anticipated reorganization involves detachment of two retail member agencies from the overlying wholesale imported water provider – the San Diego County Water Authority – and concurrent annexation to Eastern Municipal Water District (Riverside County).

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AGENDA REPORT
 Consent | Information

June 21, 2019

TO: Chair Thorner and Committee Members
FROM: Robert Barry, Chief Policy Analyst
SUBJECT: Informational Report on Senate Bill 1266 Implementation |
 Joint Power Authority Filings with San Diego LAFCO

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive an informational report on joint-power authority filings made with the San Diego County Local Agency Formation Commission (LAFCO). The report serves as a formal follow up to new requirements under Senate Bill 1266 for certain joint-power authorities (JPAs) that provide local municipal services to file their agreements with LAFCOs effective January 1, 2017 and all subsequent amendments. The report also serves as a reminder to local agencies – including special districts – to file their agreements and amendments with LAFCO.

BACKGROUND

Senate Bill 1266

Senate Bill 1266 (McGuire) was sponsored by the California Association of LAFCOs and amended State law beginning January 1, 2017 to require all new stand-alone JPAs that provide a local municipal service to file their agreements and subsequent amendments with LAFCOs. The legislation also established July 1, 2017 for preexisting JPAs to file agreements and amendments with LAFCOs. The legislation – pertinently – specifies JPAs cannot incur new bonded debt unless they are registered filers with LAFCO.

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DISCUSSION

This item is for the Committee to receive an informational report on JPA filings made with San Diego LAFCO since the enactment of Senate Bill 1266. The report summarizes the JPAs on file and done so consistent with the intent of the underlying legislation to spotlight these agencies' activities and role therein in providing urban-supporting municipal services – including, but not limited to – water, wastewater, and public safety in San Diego County.

Existing Filings

As of date, San Diego LAFCO has received 23 JPA filings under Senate Bill 1266. All of these filings were made in advance of the statutory deadline. The 23 JPAs filed with LAFCO are summarized below, including a brief description of function and members.

- **Automated Regional Justice Information System Authority**
Provides operation, maintenance, enhancement, and implementation of the telecommunication features initiated under the State Office of Criminal Justice.
 - City of Carlsbad, City of Coronado, City of El Cajon, City of Escondido, City of La Mesa, City of National City, City of Poway, City of San Marcos, City of Solana Beach, and County of San Diego
- **California Municipal Finance Authority**
Issues bonds for any activities permitted under the Joint Exercise Powers Act.
 - City of Imperial Beach
- **California Statewide Communities Development Authority**
Issues bonds to finance development projects within the territorial limits of members.
 - City of Imperial Beach and Rainbow Municipal Water District (MWD)
- **Chula Vista Bayfront Facilities Financing Authority Agreement**
Issuance of bonds for the purpose of acquisition, construction, or improvement of public facilities or other public capital improvements.
 - City of Chula Vista and San Diego Unified Port District
- **Chula Vista Municipal Financing Authority**
Issuance of bonds for the purpose of acquisition, construction, or improvement of public facilities or other public capital improvements.
 - City of Chula Vista
- **Chula Vista Public Financing Authority Agreement**
Issuance of bonds for the purpose of acquisition, construction, or improvement of public facilities or other public capital improvements.
 - City of Chula Vista

- **Chula Vista-El Dorado-Livermore-Menlo Park Housing Finance Agency**
Financing of home mortgages within member agency territories.
 - City of Chula Vista, County of El Dorado, City of Livermore, and City of Menlo Park
- **Encina Wastewater Authority**
Provides for the collection, transmission, treatment and disposal or reuse of wastewater and wastewater treatment byproducts, and to construct and operate facilities for the collective benefit of the members.
 - City of Vista, City of Encinitas, City of Carlsbad, Buena Sanitation District (SD), Vallecitos Water District (WD), and Leucadia Wastewater District (WWD)
- **Escondido – Chula Vista Housing Finance Agency**
Exercise of common powers to lend and finance long-term, low-interest home mortgages.
 - City of Escondido and City of Chula Vista
- **Fallbrook and Palomar HDs Joint Powers Authority**
Facilitates healthcare services for the Fallbrook community and creates a healthcare network for San Diego’s north county communities.
 - Fallbrook HD and Palomar Health HD
- **Fallbrook Healthcare and North County Fire Protection Districts’ Joint Powers Authority**
Provides programs and activities to enhance and expand availability of health care and emergency health services.
 - Fallbrook Healthcare District (HD) and North County Fire Protection District (FPD)
- **Heartland Fire Rescue Joint Powers Authority**
Provides management, equipment, and operating of fire protection and emergency medical services to members.
 - City of El Cajon, City of La Mesa, and City of Lemon Grove
- **Imperial Beach Public Financing Authority**
Provides financing for public capital improvements.
 - City of Imperial Beach
- **Metro Sewer Public Financing Authority**
Provides financing of public capital improvements for the Metro wastewater system.
 - City of Chula Vista, City of Coronado, City of Del Mar, City of El Cajon, City of Imperial Beach, City of La Mesa, City of National City, City of Poway, Padre Dam MWD, San Diego County SD, Otay WD, and Lemon Grove SD

- **Metro Wastewater Joint Powers Authority**
Provides for the financing of public capital improvements for Metro’s wastewater system.
 - City of Chula Vista, City of Coronado, City of Del Mar, City of El Cajon, City of Imperial Beach, City of La Mesa, City of National City, City of Poway, Padre Dam MWD, San Diego County SD, Otay WD, and Lemon Grove SD

- **National City Joint Powers Financing Authority**
Issuance of bonds for the purpose of acquisition, construction, or improvement of public facilities or other public capital improvements.
 - City of National City

- **North City West School Facilities Financing Authority**
Provides holding, receiving, management, and disbursement of funds for the purpose of constructing and equipping public school facilities.
 - City of San Diego, San Dieguito Union High School District, Solana Beach School District, and Del Mar Union School District

- **San Elijo Joint Powers Authority**
Provides financing, operation, maintenance, construction, upgrading, and expansion of a joint sewage treatment system.
 - City of Encinitas and City of Solana Beach

- **South Coast Organization Operating Transit Authority**
Management and operation of transportation services and transit service systems.
 - County of San Diego and City of Chula Vista

- **Southern California Coastal Water Research Project Authority**
Enhance the scientific foundation for management of Southern California’s ocean and associated coastal watershed resources.
 - City of Los Angeles, Orange County, City of San Diego, County Sanitation District No.2 of Los Angeles County, and Los Angeles County District

- **State Water Project Contractors Authority**
Acquisition, construction, operation, and maintenance of the facilities used for the treatment, storage, and provision of water resources.
 - Metropolitan Water District of Southern California

- **Sweetwater Authority**
Provides for the operation, ownership, and maintenance of the Sweetwater water system for purpose of supplying water for domestic, irrigation, sanitation, industrial, fire protection, recreation and other private or public uses.
 - City of National City and South Bay Irrigation District (ID)

ANALYSIS

Senate Bill 1266 has resulted in the filing of 23 JPA agreements with associated amendments with San Diego LAFCO as of date. Staff assumes – but without any measured certainty – these filings accurately reflect the volume of JPA’s providing municipal services in San Diego County. The preceding qualification is appropriate given SB 1266 did not establish any new regulatory authority for LAFCO over JPAs; instead and purposefully the legislation directs LAFCO to serve as a depository for associated filings to further sunlight the scope of municipal-serving local government and incorporate the information into other tasks as appropriate. Presentation of this report summarizes the collection of information to date and – importantly – also serves as a reminder to local agencies of their filing requirements.

RECOMMENDATION

It is recommended the Committee receive the informational report on the implementation of Senate Bill 1266 in San Diego County with an invitation to provide related feedback to staff.

ALTERNATIVES FOR ACTION

This item is being presented for information only; no action.

PROCEDURES

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

Respectfully,



Robert Barry
Chief Policy Analyst

Attachment:

- 1) SB 1266

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Senate Bill No. 1266

CHAPTER 173

An act to amend Section 6503.6 of, and to add Section 6503.8 to, the Government Code, relating to local government.

[Approved by Governor August 22, 2016. Filed with
Secretary of State August 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, McGuire. Joint Exercise of Powers Act: agreements: filings.

The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which is generally termed a joint powers agreement. When a joint powers agreement provides for the creation of an agency or entity, separate from the parties to the agreement and responsible for its administration, existing law requires that agency or entity to cause a notice of the agreement or amendment to be prepared and filed, as specified, with the Secretary of State. Existing law requires an agency or entity that files a notice of agreement or amendment with the Secretary of State to also file a copy of the original joint powers agreement, and any amendment to the agreement, with the Controller.

This bill would require an agency or entity required to file documents with the Controller, as described above, that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services and that includes a local agency member, as specified, to also file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located within 30 days after the effective date of the agreement or amendment to the agreement. The bill would also require an agency or entity that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services prior to the effective date of this act and that includes a local agency member, as specified, to file a copy of the agreement and any amendments to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located no later than July 1, 2017. This bill would prohibit an agency or entity administering an agreement or amendment that has failed to make the required filings within the specified timeframes from issuing bonds or incurring any indebtedness until those filings have been made.

By requiring specified joint powers agencies to file certain documents with a local agency formation commission, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 6503.6 of the Government Code is amended to read:

6503.6. (a) When an agency or entity files a notice of agreement or amendment to the agreement with the office of the Secretary of State pursuant to Section 6503.5, the agency or entity shall file a copy of the full text of the original joint powers agreement, and any amendment to the agreement, with the Controller. An agency or entity that meets the definition of a joint powers authority or joint powers agency under Section 56047.7 that was formed for the purpose of providing municipal services and that includes a local agency member that is a city, district, or county shall, within 30 days after the effective date of the agreement or amendment to the agreement, file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located.

(b) Notwithstanding any other provision of this chapter, any agency or entity administering a joint powers agreement or amendment to such an agreement, which agreement or amendment becomes effective on or after the effective date of this section, which fails to file the notice with a local agency formation commission required by this section within 30 days after the effective date of the agreement or amendment shall not thereafter, and until those filings are completed, issue any bonds or incur indebtedness of any kind.

SEC. 2. Section 6503.8 is added to the Government Code, to read:

6503.8. (a) No later than July 1, 2017, an agency or entity that meets the definition of a joint powers authority or joint powers agency under Section 56047.7 that was formed for the purpose of providing municipal services prior to the effective date of this section, and that includes a local agency member that is a city, district, or county, shall cause a copy of the agreement and any amendments to the agreement to be filed with the local agency formation commission in each county within which all or any part of a local agency member's territory is located.

(b) Notwithstanding any other provision of this chapter, any agency or entity administering a joint powers agreement or amendment to such an agreement, which fails to file the notice with a local agency formation commission required by this section on or before July 1, 2017, shall not thereafter, and until those filings are completed, issue any bonds or incur indebtedness of any kind.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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AGENDA REPORT
 Business | Discussion

June 21, 2019

TO: Chair Thorner and Committee Members
FROM: Keene Simonds, Executive Officer
SUBJECT: Adopted LAFCO Workplan for 2019-2020

SUMMARY

The Special Districts Advisory Committee (“Committee”) will review the San Diego County Local Agency Formation Commission’s (LAFCO) adopted workplan for 2019-2020. The workplan targets 29 projects for the upcoming fiscal year and headlined by several municipal service reviews with the majority affecting agencies in the north county region. The item is being presented for Committee discussion and an opportunity therein for members to provide related feedback ahead of LAFCO initiating specific projects.

BACKGROUND

Adopted Workplan

San Diego LAFCO’s upcoming workplan for 2019-2020 was adopted in April 2019 in conjunction with approving a final operating budget. The workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the workplan is to serve as a management tool to allocate Commission resources over the 12-month period. Further, while it is a stand-alone document, the workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and/or

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limited accordingly. Additionally, and as needed, the Commission may amend the workplan during the fiscal year to address changes in resources and/or priorities.

DISCUSSION

This item is for the Committee to review San Diego LAFCO's adopted workplan for 2019-2020 provided as Attachment One. This includes an opportunity for the Committee to provide direct feedback to staff ahead of initiating specific activities.

ANALYSIS

The adopted workplan outlines 29 project goals for the fiscal year that responsively addresses San Diego LAFCO's expanding regulatory and planning responsibilities. This includes incorporating the second year of the current five-year study schedule for municipal service reviews. This includes – notably – a scheduled municipal service review on County Service Area No. 135 and is expected to assess reorganization options involving the County Fire Authority in conjunction with the recent amendment to the County Charter.¹ Scheduled policy reviews are also calendared and marked by updating LAFCO's policies on out-of-agency service arrangements as well as agricultural preservation.

RECOMMENDATION

It is recommended the Committee review and discuss the adopted workplan for 2019-2020 and provide related feedback to staff ahead of initiating any specific project as appropriate.

ALTERNATIVES FOR ACTION

This item is being presented to the Committee for discussion and feedback only.

PROCEDURES

This item has been placed on the Committee's agenda for discussion as part of the business calendar. The following procedures apply.

- 1) Receive verbal report from staff unless waived;
- 2) Initial questions or clarifications from the Committee;
- 3) Discuss item and provide feedback.

Respectfully,



Keene Simonds
Executive Officer

Attachment: as stated

¹ Voters approved an amendment to the County of San Diego Charter in November 2018 to expand service functions to now include fire protection.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

2019-2020 Workplan

Introduction:

Local Agency Formation Commissions' (LAFCOs) operate under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2001 ("CKH") and are delegated regulatory and planning responsibilities by the Legislature to oversee the formation and subsequent development of local government agencies and their municipal service areas. Common regulatory functions include approving jurisdictional changes and outside service requests. Common planning functions include preparing studies to independently evaluate the availability, performance, and need for urban services and establishing and updating spheres of influence – which are the Legislature's version of urban growth boundaries and gatekeepers to future jurisdictional changes – for all cities and special districts. All regulatory and planning activities undertaken by LAFCOs may be conditioned and must be consistent with policies and procedures.

Objective:

This document represents San Diego LAFCO's ("Commission") formal 2019-2020 Workplan. The Workplan draws on the recommendations of the Executive Officer as vetted and approved by the Commission. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year to address changes in resources and or priorities and to carry-forward projects into subsequent years.

Executive Summary:

The 2019-2020 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. This includes continuing work on existing projects established – but not yet completed – from earlier fiscal years and marked by completing municipal service reviews for the Vista and San Marcos regions. New priority municipal service reviews involving the Fallbrook region, resource conservation services, and County Service Area No. 135 are also included as well as performing a policy review on outside service extensions. Other high priority projects include working with the County of San Diego to update an existing memorandum of understanding between the two agencies and preparing a policy review on outside service extensions with a focus on establishing local definitions and exemptions.

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



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

6

AGENDA REPORT
 Business | Discussion

June 21, 2019

TO: Chair Thorner and Committee Members

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

SUBJECT: **Draft Municipal Service Review |
 San Diego County Sanitation District**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will review the San Diego County Local Agency Formation Commission’s (LAFCO) draft municipal service review on the San Diego County Sanitation District. The draft has been prepared by staff per statute and represents an independent assessment of the availability, need, and adequacy of the District’s public wastewater services within each of its seven distinct service areas in unincorporated San Diego County relative to LAFCO’s prescribed growth management duties and interests. The draft is being presented to the Committee for discussion with the associated feedback being incorporated into a final document for future action by LAFCO.

BACKGROUND

State law directs San Diego LAFCO to prepare municipal service reviews in conjunction with updating all local agencies’ sphere of influence every five years. The legislative intent of the municipal service review is to proactively inform the Commission and the general public therein with regard to the availability and sufficiency of governmental services relative to current and future community needs. Municipal service reviews statutorily inform the

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referenced sphere of influence updates as well as future boundary changes. It may also lead LAFCO to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts.

Current Workplan |

Municipal Service Review on San Diego County Sanitation District

San Diego LAFCO's current workplan was adopted at a noticed hearing in April 2018 and outlines over two-dozen project goals for the fiscal year. This includes preparing an agency-specific municipal service review on the San Diego County Sanitation District and its public wastewater services provided in each of its seven unincorporated service areas in San Diego County. The municipal service review represents the first report prepared by LAFCO since the District's formation in 2011 and consolidation therein of nine previous service providers.

DISCUSSION

This item is for the Committee to review a draft municipal service review on the San Diego County Sanitation District. The draft has been prepared by San Diego LAFCO consistent with its adopted workplan and presently out for public review and comment through the end of July. Feedback provided by the Committee – including requests for additional analysis – will be incorporated into a final document for future presentation to the Commission in step with considering other related actions, including – but not limited to – performing a sphere of influence update on the San Diego County Sanitation District.

An Executive Summary (Chapter Two) anchors the municipal service review and outlines key conclusions and findings generated to date and provided as Attachment One. This includes addressing the mandatory factors required under statute anytime LAFCO performs a municipal service review. Examples include making independent statements on infrastructure needs and deficiencies, population estimates, financial resources, and opportunities and merits therein for reorganizations. Specific recommendations for action are also enumerated in the Executive Summary.

ANALYSIS

See Executive Summary provided as part of Attachment One.

RECOMMENDATION

It is recommended the Committee provide feedback on the draft municipal service review on the San Diego County Sanitation District – including recommendations on additional analysis and/or related policy considerations. Staff will incorporate the feedback into preparing a final document ahead of LAFCO taking formal action at its August 5, 2019 meeting.

ALTERNATIVES FOR ACTION

This item is being presented to the Committee for discussion and feedback only.

PROCEDURES

This item has been placed on the Committee's agenda for discussion as part of the business calendar. The following procedures apply.

- 1) Receive verbal report from staff unless waived;
- 2) Initial questions or clarifications from the Committee;
- 3) Discuss item and provide feedback.

On behalf of staff,



Linda Zambito
Analyst I

Attachment: as stated

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CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review of the San Diego County Sanitation District (SD) and its public wastewater services. The report has been prepared by staff and consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of wastewater services provided by San Diego County SD and within its multiple and distinct service areas over the next five year period relative to the Commission's regional growth management duties and responsibilities as established by the Legislature. Information generated as part of the report will be used by the Commission to (a) guide a subsequent sphere of influence update, (b) inform future boundary changes, and – if merited – (c) initiate future government reorganizations.

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

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program of San Diego County SD and its current municipal service activity: wastewater. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks therein approximately every five years consistent with the timetable set by the Legislature and memorialized under adopted policy. This will also allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Key assumptions and benchmarks affecting scope and content in this report follow.

Looking Back | Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission's analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2014 to 2018 with limited exceptions. This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e., data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward | Setting the Report's Timeframe

The timeframe for the report has been oriented to cover the next five-year period through 2023 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle legislatively prescribed for municipal service reviews under G.C. Section 56430 and expected therein to inform all related sphere of influence and boundary actions undertaken during this period involving the San Diego County SD unless otherwise merited.

Calculating Population Estimates and Projections

Past and current residential population estimates in the report draw on data generated by Esri and their own mapping analyses of census tracts. This approach differs from past Commission practice to utilize estimates by the San Diego Association of Governments and done so given – and among other factors – the ability of Esri's mapping software to readily synch with special district boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend in each service area over the last 60 months with limited exceptions; i.e., population growth over the last five years is generally expected to hold over the next five years.

Focusing on Macro-Level Determinations

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of San Diego County SD's public wastewater services relative to current and near-term needs. A prominent example involves focusing on average day demands within the affected service areas relative to associated collection, treatment, and/or discharge capacities. This approach informs macro-level determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis as part of addendums or future municipal service reviews.

Benchmarking Infrastructure Needs and Deficiencies

Similar to the preceding factor, the analysis focuses on overall average system demands generated during the five-year report period in each of San Diego County SD's service areas in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities.

Benchmarking Fiscal Solvency

Several diagnostic tools are used to assess and make related determinations on San Diego County SD's financial solvency based on a review of available audited information during the report period, fiscal years 2014 to 2018. This includes an emphasis on analyzing current ratio, debt-to-net assets, and total margin. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin and calculated to track overall trends and final-year standing.

2.0 STUDY ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.⁶ This includes addressing the mandatory factors required for consideration by the Legislature anytime San Diego LAFCO performs a municipal service review. The Executive Summary is preceded by a detailed agency profile (Chapter Three) on San Diego County SD. The profile anchors the document and transitions between qualitative and quantitative analyses with the latter headlined by measuring population and demographic trends, service capacities and related needs, and financial standing.

3.0 GEOGRAPHIC AREA

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

- Alpine-Lakeside

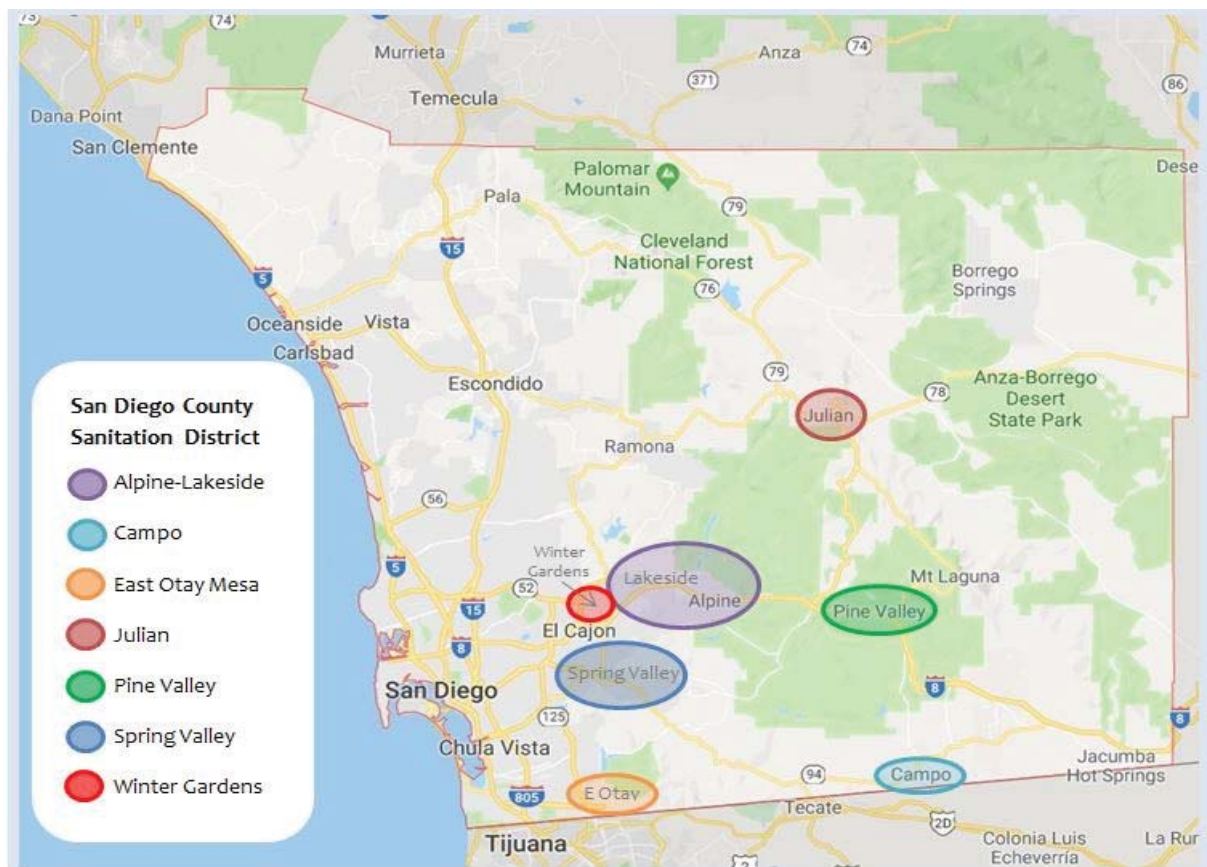
The combined service area is approximately 12,380 acres in size in central San Diego County. The Lakeside portion is the larger of the two and lies immediately east of the City of Santee and generally north of Interstate 8. The Alpine portion lies to the east of Lakeside in the adjacent foothills along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

- Campo

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

⁶ The Executive Summary distinguishes between “conclusions,” “determinations,” and “recommendations.” Conclusions are general policy takeaways. Determinations address specific legislative factors. Recommendations address actions drawn from the determinations.

- East Otay Mesa
The service area is approximately 2,627 acres in size and immediately north of the international border along new State Highway 11 in southcentral San Diego County.
- Julian
The service area is 118 acres in size and lies 35 miles northeast of the City of Poway and encompasses the downtown Julian community in eastern San Diego County.
- Pine Valley
The service area is 28 acres in size and lies 30 miles east of the City of El Cajon along Old State Highway 80 off of Interstate 8 in eastern San Diego County.
- Spring Valley
The service area is 12,915 acres in size and lies along State Highway 94 immediately adjacent to the City of El Cajon in southcentral San Diego County.
- Winter Gardens
The service area is 1,046 acres in size and immediately adjacent to City of El Cajon and the intersection of Interstate 8/State Highway 67 in southcentral San Diego County.



4.0 REPORT SUMMARY

4.1 General Conclusions

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

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

- **No. 1 | Byproduct of a Successful Reorganization**

San Diego County SD has been successful in achieving its formation purpose to improve public wastewater services within its jurisdictional boundary and multiple service areas therein. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governance structure with greater economies of scale to plan, fund, and implement capital improvements for the benefit of all seven service areas. This success – and among other purposes – serves as a model for other potential reorganizations in San Diego County.

- **No. 2 | Regional Distinctions in Service Areas**

San Diego County SD serves two distinct regions with markedly different service needs and demographics. Service needs are bifurcated in intensity with the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge. Demographics also show

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

- **No. 3 | Adequate and Excess Capacities in Most Service Areas**

San Diego County SD has adequate capacity in six of its seven service areas – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – to accommodate current and projected near-term demands. This comment is substantiated given none of the systems’ average demands generated during the five-year report period exceed 60% of their associated capacities. Capacity in the seventh service area – Winter Gardens – is more limited with average demand tallying 89%.

- **No. 4 | Financial Standing Remains Positive Despite Recent Declines**

San Diego County SD has experienced a steady decline in financial standing with its net position – and excluding increases in pension obligations – decreasing during the five-year report period by (1.4%) due to ongoing margin losses that underlie a (38.1%) change in its operating reserve ratio. San Diego County SD – nonetheless – remains in good overall standing and finished the period with relatively healthy levels of liquidity and capital with the latter reflected by a debt ratio of less than 10%.

- **No. 5 | Defer Comprehensive Sphere of Influence Update**

A preliminary review indicates a comprehensive update to San Diego County SD’s sphere is merited to consider changes involving several of the service areas. This includes – and among other considerations – expanding the sphere to accommodate future wastewater expansions into adjacent lands qualifying under statute as disadvantaged unincorporated communities. The scale and scope of the update suggests a deferral to the next municipal service review would be appropriate and allow additional time to coordinate with San Diego County SD and other interested stakeholders; it also allows LAFCO more time to review the financial status of the District and its efforts to remedy current margin losses.

4.2 Recommendations

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

1. San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD and incorporate the information into the next scheduled municipal service review.
2. San Diego LAFCO should coordinate with San Diego County SD to assess opportunities and costs therein to establish public wastewater services for lands adjacent to existing District infrastructure that are urban in nature and/or qualify as disadvantaged unincorporated communities.
3. San Diego County SD should revisit its agreement with the City of El Cajon to wheel wastewater from the Spring Valley service area to the City of San Diego for treatment and discharge to allow for additional flows given approaching limitations.
4. Unmetered connections to San Diego County SD's collection system in the Spring Valley service area masks true demands generated by the District and merits remedy to more accurately synch future system improvements to user benefits.
5. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with completing an upcoming municipal service review on the City of San Diego and its treatment and discharge of wastewater collected – and from among other sources – San Diego County SD's central service areas.
6. San Diego County SD should continue to revisit its user charges and pursue updates as needed to remedy consistent operating losses experienced during the report period that collectively averaged (7.0%).
7. San Diego County SD should explore opportunities to partner with public and private water providers within its eastern service areas – Campo, Julian, and Pine Valley – to repurpose wastewater into recycled supplies for beneficial uses within the District's jurisdictional boundary.
8. San Diego County SD should take additional efforts to distinguish its role to ratepayers as a stand-alone governmental entity separate from the County of San Diego, and this includes – and among other items – posting meeting information along with associated agendas and minutes on its website.

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

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this

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

report. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of San Diego County SD's public wastewater services specific to the Commission's growth management role and responsibilities. An abbreviated version of these determinations will be separately prepared for Commission consideration and adoption with the final report.

5.1 Growth and Population Projections

1. San Diego LAFCO estimates there are 149,789 total fulltime residents within San Diego County SD as of the end of the report period.
2. The estimated total fulltime resident population within San Diego County SD at the end of the report period of 149,789 is divided between seven distinct service areas throughout unincorporated San Diego County as follows.
 - (a) 92,717 residents in Spring Valley
 - (b) 43,389 residents in Alpine-Lakeside
 - (c) 12,873 residents in Winter Gardens
 - (d) 153 residents in Julian
 - (e) 51 residents in Pine Valley
 - (f) 8 residents in East Otay Mesa

3. San Diego LAFCO estimates the combined annual rate of new fulltime population growth in San Diego County SD during the report period has been 0.67%. This rate is two-fifths lower than the corresponding amount for all of San Diego County and reflects the District generally serves more rural and/or slower-growth oriented communities.
4. San Diego LAFCO assumes the estimated growth rate in San Diego County SD and in each of its seven service areas will hold over the report timeframe given no significant residential developments are presently vested or proposed. To this end, it is projected the District will add 5,716 new fulltime residents totaling 155,505 by 2023 and divided between the seven service areas as follows.
 - (a) 96,015 residents in Spring Valley; a net addition of 3,298
 - (b) 45,305 residents in Alpine-Lakeside; a net addition of 1,916
 - (c) 13,333 residents in Winter Gardens; a net addition of 460
 - (d) 159 residents in Julian; a net addition of 6
 - (e) 54 residents in Pine Valley; a net additional of 3
 - (f) 9 residents in East Otay Mesa; a net addition of 1
5. San Diego LAFCO estimates 2,034 new dwelling units have been built within San Diego County SD over the report period with more than nine-tenths located within the Spring Valley and Alpine-Lakeside service areas. This trend illustrates an internal distinction with these two service areas serving as the epicenter of current and future residential growth in the District.
6. The average monthly housing cost in San Diego County SD has remained relatively stagnant over the five-year report period and presently totals \$1,721, which is one-tenth higher than the countywide amount.
7. Significant non-residential growth is planned within the East Otay Mesa service area and expected to parallel the completion of State Highway 11 and proposed new commercial port of entry with Mexico. Should this development proceed as planned the East Otay Mesa will become a prominent service area for San Diego County SD and demand and generate greater District resources going forward.

8. San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD and incorporate the information into the next scheduled municipal service review.
9. A review of demographic information reveals distinct contrasts in economic and social standing in San Diego County SD between its central and eastern service areas. These distinctions show the central service areas – Spring Valley, Alpine-Lakeside, East Otay Mesa, and Winter Gardens – are generally younger with additional education and income compared to the eastern service areas – Campo, Julian, and Pine Valley.

5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities

1. All of San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – are entirely within and/or immediately adjacent to lands currently qualifying as disadvantaged unincorporated communities under State and local policy.
2. Approximately one-fifth of lands within and/or adjacent to San Diego County SD's central service areas – Spring Valley, Lakeside, and Winter Gardens – qualify as disadvantaged unincorporated communities under State and local policy.
3. State law emphasizes LAFCO consider the availability of fire protection, water, and wastewater services in disadvantaged unincorporated communities as part of the municipal service review process. To this end, the following statements apply.
 - (a) All lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities already receive organized fire protection services from County Service Area No. 135, Lakeside Fire Protection District, or San Miguel Consolidated Fire Protection District.
 - (b) The majority of lands within and immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities receive water service from Cuyamaca Water District, Wynola Water District, Julian Community Services District, Majestic Pines Community Services District, Lakeside Water District, or Helix Water District.
 - (c) A considerable amount of lands immediately adjacent to San Diego County SD that qualify as disadvantaged unincorporated communities do not receive wastewater services and are wholly dependent on private septic systems.

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

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. San Diego County SD's lone municipal service – wastewater – commenced at the time of its formation in 2011 and involved assuming operation of preexisting facilities in various condition that presently comprise seven distinct service areas in the District.
2. San Diego County SD's wastewater operations are bifurcated by function with the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge.
3. San Diego County SD has made a concerted effort to streamline and improve service levels since its 2011 formation. These efforts are highlighted by immediately preparing master plans for all seven service areas and have directly informed numerous projects to upgrade, rehab, and repair infrastructure throughout the District.
4. The average total daily flow of wastewater collected by San Diego County SD and within its seven service areas over the five-year report period tallies 14.4 million gallons, or a LAFCO estimated 96.2 gallons for every person. Additional wastewater flow tallies generated in each service area over the 60-month period follows.
 - (a) Average daily flows in Alpine-Lakeside have tallied 2.75 million gallons. This amount translates to a daily estimate of 64.4 gallons for every person and 173.7 gallons for every occupied housing unit.
 - (b) Average daily flows in Campo have tallied 0.024 million gallons. This amount translates to a daily estimate of 87.0 gallons for every person and 514.4 gallons for every occupied housing unit.
 - (c) Average daily flows in East Otay Mesa have tallied 0.220 million gallons and translates to an estimated 16,923 gallons per connection.

- (d) Average daily flows in Julian have tallied 0.024 million gallons. This amount translates to a daily estimate of 159.4 gallons for every person and 333.2 gallons for every occupied housing unit.
 - (e) Average daily flows in Pine Valley have tallied 0.0086 million gallons. This amount translates to a daily estimate of 178.3 gallons for every person and 324 gallons for every occupied housing unit.
 - (f) Average daily flows in Spring Valley have tallied 10.4 million gallons. This amount translates to a daily estimate of 129.3 gallons for every person and 351.1 gallons for every occupied housing unit.
 - (g) Average daily flows in Winter Gardens have tallied 0.887 million gallons. This amount translates to a daily estimate of 72.4 gallons for every person and 200.1 gallons for every occupied housing unit.
5. The average total daily flow of wastewater collected by San Diego County SD during the report period has experienced changes within the individual service areas from a low of (2.0%) in Spring Valley to a high of 11.2% in Julian.
 6. Two of San Diego County SD's service areas – Alpine-Lakeside and Julian – have experienced increases in their average daily wastewater flows that markedly exceed their corresponding changes in estimated growth during the five-year report period. This dynamic suggest these service areas' collection systems are prone to relatively higher levels of infiltration and inflow from groundwater and runoff.
 7. Five of San Diego County SD's service areas' – Campo, East Otay Mesa, Pine Valley, Spring Valley, and Winter Gardens – average daily wastewater flows fall below their estimated growth during the five-year report period. This dynamic suggest these service areas' collection systems are in relatively good shape with respect to protecting against excessive infiltration from groundwater and runoff.
 8. The collection systems for six of the seven service areas in San Diego County SD – Alpine-Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the collection systems' average day demands generated during the report period exceed 60% of their associated capacities.

9. San Diego County SD's collection system for the Winter Gardens' service area is nearing its contracted capacity to convey wastewater through the City of El Cajon to the City of San Diego for treatment and discharge and merits review by the District. This comment is substantiated given the collection system's average day demand generated during the report period is at 89% of capacity.
10. San Diego County SD's collection system for Spring Valley receives and wheels wastewater flows to the City of San Diego from several adjacent agencies through two dozen connections with the majority unmetered. These unmetered connections mask true demands generated in Spring Valley specific to the District and merits remedy to more accurately synch system improvements to user benefits.
11. San Diego LAFCO will review the sufficiency of treatment and discharge services provided for San Diego County SD's central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – as part of a future municipal service review involving the City of San Diego and will revisit the analysis of this report as needed.
12. San Diego County SD's treatment and discharge facilities for the eastern service areas – Campo, Julian, and Pine Valley – are adequately sized in accommodating current and projected near-term demands. This comment is substantiated given none of the three service areas' peak-day demands generated in the collection systems during the five-year report period exceed 75% of their associated treatment and discharge capacities.

5.4 Agencies' Financial Ability to Provide Services

1. San Diego County SD has experienced a decline in its financial standing during the report period and marked by an overall decrease of nearly one-tenth – or (7.8%) – in its net position and largely attributed to changes in pension obligations. Excluding pension obligations adjusts – but does not eliminate – the overall decline in the District's net position over the 60-month period to (1.4%).
2. San Diego County SD operates exclusively as an enterprise fund and is responsible for fully recovering its operating costs with operating revenues borne from user charges collected within all seven service areas. To this end, the District should continue to revisit user charges and pursue updates to remedy consistent operating losses experienced over the report period that collectively averaged (7.0%).

3. San Diego County SD's current rate schedule for wastewater services is uniformly applied across all seven of its service areas with a present annual charge of \$399 for single-family residences. The uniform rate structure creates economies of scale and allows the District to absorb and balance changes in expenses within individual service areas with less immediate impact to ratepayers.
4. Non-operating revenues for San Diego County SD during the report period has been limited to interest earned on its fund balance through investments managed by the County of San Diego Auditor's Office. This supplemental revenue has been able to reduce – but not eliminate – the District's operating losses and produced a total margin average of (5.5%) during the report period.
5. Opportunities to increase direct revenues within San Diego County SD's eastern service areas – Campo, Julian, and Pine Valley – in support of their respective public wastewater systems through additional users is constrained due to existing land use policies. The substantive result – and in the absence of fee increases – is a dependency on new development in the central service areas – Alpine-Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – to generate additional ratepayer revenue ratepayers to keep pace with costs.
6. Irrespective of recent downward trends, San Diego County SD remains in good overall financial standing and finished the most audited fiscal year in 2017-2018 with relatively healthy levels of liquidity and capital. This latter measurement is headlined by the District finishing the report period with a debt ratio of less than 10%; a relatively low amount for a utility with considerable infrastructure holdings.

5.5 Status and Opportunities for Shared Facilities and Resources

1. San Diego County SD's ratepayers have benefited from the ongoing costs savings tied to the 2011 formation and ability therein to economize administrative resources in providing public wastewater services within seven distinct service areas.
2. San Diego County SD should explore opportunities to partner with public and private water providers within its eastern service areas – Campo, Julian, and Pine Valley – to repurpose wastewater into recycled supplies for beneficial use within the District's jurisdictional boundary.

6.6 Local Accountability and Government Restructure Options

1. The multi-agency consolidation underlying the formation of the San Diego County SD in 2011 has been successful in improving governance within all seven service areas. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governing structure with greater economies of scale to plan, fund, and implement capital improvements.
2. Ratepayers within San Diego County SD benefit from the District employing capable and dedicated management that appear to effectively administer day-to-day activities consistent with governing directives and community needs.
3. San Diego County SD should take additional efforts to distinguish its role as a stand-alone governmental entity separate from the County of San Diego and improve accountability to District ratepayers. This includes – and among other opportunities – posting meeting information and associated agendas and minutes specific to the District on its website.
4. The scope and geographic diversity of San Diego County SD’s jurisdictional boundary suggests it would be appropriate for San Diego LAFCO to proceed with affirming the sphere of influence with no changes with the explicit intention of preparing a comprehensive update as part of the next municipal service review. Deferring a comprehensive update would allow LAFCO and the District to partner in a more holistic assessment of wastewater needs adjacent to existing service areas, including – but not limited to – lands qualifying as disadvantaged unincorporated communities.

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

7

AGENDA REPORT
 Business | Discussion

June 21, 2019

TO: Chair Thorner and Committee Members

FROM: Keene Simonds, Executive Officer
 Tamaron Luckett, Executive Assistant

**SUBJECT: Election Update and Direction to Nominating Committee |
 District Representative on Consolidated Redevelopment Oversight Board**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive an update on the current election process to appoint a new special district representative to serve on the San Diego County Consolidated Redevelopment Oversight Board. The election has been necessitated by the recent resignations of the regular and alternate members previously elected to represent special districts due to separate scheduling conflicts. The Committee will also consider providing feedback to the Chair in establishing a nominating committee and its task under adopted policy to make a candidate recommendation.

BACKGROUND

**Redevelopment Agencies |
 Establishment and Function**

The California Legislature established redevelopment agencies (RDAs) in 1945 as part of the Community Redevelopment Act as a means for cities and counties to expedite the

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acquisition and/or funding of public work projects to improve “blighted” areas. The underlying intent in creating RDAs was to empower local officials to foster economic development through the use of local property tax proceeds. Markedly, once established, property tax revenue generated within a designated area became stationary with regard to the monies distributed among other local agencies – such as schools and special districts – with the incremental increases going forward getting redirected to RDAs.

Legislative Drawdown of Redevelopment Agencies

In June 2011 – and following several earlier attempts – the Legislature passed Assembly Bill X26 to freeze the 400 plus RDAs in California and their authority to initiate any new projects. The legislation also initiated a gradual dissolution process in which oversight of RDAs were first transferred to successor boards with the delegated task of drawing down preexisting projects. Senate Bill 107 followed in September 2015 and mandated the consolidation of all successor agencies into one board per county by July 1, 2018.¹ This latter legislation specifies each consolidated board include seven members. One of the members shall be a representative of special districts through an election of each county’s independent special districts selection committee.

San Diego Consolidated Redevelopment Oversight Board | Special District Representatives

The San Diego County Consolidated Redevelopment Oversight Board (“Oversight Board”) held its first meeting in August 2018. The Oversight Board consolidates the activities of 17 previous successor agencies in San Diego County and is staffed by County Finance. Ed Sprague with Olivenhain Municipal Water District and Julie Nygaard with Tri-City Healthcare District represented special districts as the appointed regular and alternate members, respectively, based on the results of an earlier election conducted by the independent special district selection committee through LAFCO. Both members – however – subsequently resigned from the Oversight Board due to separate scheduling conflicts and most recently with Ms. Nygaard leaving office on March 21, 2019.

DISCUSSION

This item is for the Committee to receive an update on an active election to appoint a new special district representative to serve on the Oversight Board. The Committee will also consider providing feedback to the Chair in establishing a nominating committee and its task under adopted policy to make a candidate recommendation. Additional details follow.

¹ The legislation allows five consolidated boards in Los Angeles County.

Election Update

At the direction of the Chair, staff initiated a new election to appoint a regular representative of independent special districts on the Oversight Board on April 5, 2019. (Dissimilar to the 2018 election only a regular member will be appointed per the preference of the County.) Proceedings for the new election commenced with a call for nominations among eligible candidates that are board members from one of the 19 independent special districts enrolled in the Redevelopment Property Tax Trust Fund in San Diego County. The nomination period closed on Friday, May 17th with the following three candidates on file:

- William R. (Bob) Ayres with Grossmont Healthcare District
- Mark Baker with Lakeside Fire Protection District
- Mitch Thompson with Otay Water District

The next step in the election process for staff involves issuing mail ballots to all 58 independent special districts with the names of all three candidates. A minimum of six weeks is required for the election from the date the ballots are issued. A quorum of ballots must be returned with the signature of the preceding officer or their official designee. Should a quorum not be achieved an automatic six-week extension is initiated.

Staff tentatively anticipates issuing mailed ballots on July 5th with the election extending for nine weeks – or approximately two months – through September 6th. Should the Committee believe less or more time is appropriate staff will adjust accordingly.

Nominating Committee

The Committee’s adopted policies state the Chair shall establish an ad hoc nominating committees to review all received nominations and make related recommendations. It has been the practice of past nominating committees to incorporate their recommendations directly into the ballot materials issued by LAFCO staff. Policies specify appointed members of the nominating committees shall be limited to those with terms that extend beyond the current calendar year. A listing of the current members of the Committee eligible for appointment to the nominating committee follows.

Special District Advisory Committee Eligible Members for Appointment to Nominating Committee			
Name	Agency	Initial Term Start	Current Term Expires
Vice Chair Julia Nygaard	Tri-City Healthcare District	Feb 2015	Oct 2020
Gary Arrant	Valley Center Municipal Water District	Mar 1980	Oct 2020
Larry Converse	Ramona Municipal Water District	Mar 2019	Oct 2020
Bill Haynor	Whispering Palms Community Services District	Jan 2013	Oct 2020
Sheryl Landrum	Resource Conservation District of Greater San Diego	Mar 2019	Oct 2020
Hector Martinez	South Bay Irrigation	May 2019	Oct 2020
Augie Scalzitti	Padre Dam Municipal Water District	Dec 2003	Oct 2020
Joel Scalzitti	Helix Water District	Feb 2015	Oct 2020

ANALYSIS

As provided in the preceding section, staff anticipates initiating the next phase of the election process to appoint a special district representative on the Oversight Board. This involves – and in the absence of redirection by the Committee – issuing mailed ballots to all 58 independent districts on July 5th with the canvass extending for nine weeks to September 6th. Staff also anticipates incorporating the recommendation of the nominating committee directly into the ballot materials; the latter necessitating the nominating committee meet and make its recommendation ahead of time. To this end, it would be appropriate for the Committee to provide feedback on these anticipatory processes to staff as well as to the Chair in establishing and direction therein to the nominating committee. Specific matters for the Committee to consider include all of the following.

- The length to hold open the mail ballot election.
- Whether to coordinate the election and allow for a candidate forum with the San Diego Chapter of the California Special Districts Association.
- The process for the nominating committee to review candidates and make related recommendations.
- The method to transmit the recommendations of the nominating committee to the special districts.

At the invitation of staff, Brian Haggerty with County Finance is scheduled to attend the Committee meeting on June 21st and provide additional details regarding the work of the Oversight Board. Mr. Haggerty will also be available to address questions.

RECOMMENDATION

It is recommended the Committee review the staff update on the current election process to appoint a new special district representative on the Oversight Board and provide feedback to help ensure activities align with Committee preferences. Related feedback to the Chair involving the nominating committee is also suggested.

ALTERNATIVES FOR ACTION

This item is being presented to the Committee for discussion and feedback only.

PROCEDURES

This item has been placed on the Committee's agenda for discussion as part of the business calendar. The following procedures apply.

- 1) Receive verbal report from staff unless waived;
- 2) Initial questions or clarifications from the Committee;
- 3) Discuss item and provide feedback as requested.

Respectfully,



Keene Simonds
Executive Officer

Attachments: none

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