



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

6b

AGENDA REPORT
 Public Hearing

November 4, 2019

TO: Commissioners

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

**SUBJECT: Proposed “Hollow Glen Change of Organization” |
 Annexation to Julian Community Services District (DA19-14)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by the Julian Community Services District (CSD) to annex approximately 0.65 acres of unincorporated territory. The affected territory as submitted is developed with a newly constructed public facility consisting of sand barn used by Caltrans to store road safety and repair materials. The proposal purpose is to extend public water service to the affected territory to enable the operation of fire sprinklers. Staff recommends approval of the proposal with one modification to expand the annexation to include 0.05 acres of adjacent public right-of-way way. A conforming sphere of influence amendment and standard approval terms are also recommended as well as a waiver of protest proceedings.

BACKGROUND

Applicant Request

San Diego LAFCO has received a proposal from the Julian CSD on behalf of an interested landowner – County of San Diego – requesting approval to annex approximately 0.65 acres of unincorporated territory. The affected territory as submitted comprises one parcel already developed with a newly constructed sand barn with a situs of 1471 Hollow Glen Road.

<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>Dianne Jacob, Vice Chair 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>Paul McNamara, Alternate City of Escondido</p>	<p>Mark Kersey City of San Diego</p> <p>Chris Cate, Alternate City of San Diego</p>	<p>Jo MacKenzie, Chair 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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Construction on the sand barn was completed in September 2019 and it is approximately 1,600 square feet in size with a small surface parking lot. The County of San Diego Assessor's Office identifies the subject parcel as 291-122-20. The affected territory lies entirely outside the sphere of influence established for Julian CSD.

Affected Territory

The following map shows the approximate location of the affected territory in context to the surrounding Julian region. Attachment One shows the affected territory relative to the proposed boundary change involving the Julian CSD.



San Diego LAFCO / SANGIS Mapping

Subject Agencies

The proposed change of organization involves one subject agency: Julian CSD.¹ A summary of Julian CSD in terms of resident population, municipal service functions, and financial standing follows.

- Julian CSD is an independent special district formed in 1965 and spans approximately 290 acres and generally overlaps the central village area of the unincorporated community of Julian. A five-member Board of Directors oversees the lone municipal service function: water (retail). LAFCO estimates the current resident population is 315 along with an average annual growth rate of 0.85% since 2010. LAFCO established Julian CSD's sphere of influence in 1988 with the most recent update in June 2019 following the completion of a regional municipal service review. The sphere is coterminous with the boundary. Julian CSD's last audited net position tallied \$1.310 million as of July 30, 2017 with (\$0.240) million designated as unrestricted.

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

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries and/or spheres of influence of three local agencies directly subject to San Diego LAFCO. These agencies qualify as “affected agencies” under statute relative to the proposed change of organization and listed below.²

- CSA No. 135 - Fire and Emergency Medical Services
- CSA No. 135 - Regional Communications
- Resource Conservation District of Greater San Diego County

DISCUSSION

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

Proposal Purpose

The purpose of the proposal is to facilitate the extension of public water service to a newly constructed public facility comprising the affected territory in order to enable fire sprinklers. Annexation and connection to the Julian CSD public water system would serve as an alternative to establishing a private well system and/or storing trucked supplies.

Development Potential

The affected territory as proposed and detailed in Appendix A is planned for low-density industrial use by the County of San Diego. These uses are memorialized under the County’s Zoning Ordinance, which assigns the affected territory as Semi-Rural Medium Impact Industrial with a maximum parcel size of one acre. This precludes any further density within the affected territory based on the current parcel size.

Commission Focus

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

² State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

ANALYSIS

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

Central Policy Items

Item No. 1 |

Sphere of Influence Amendment

The change of organization proposal necessitates San Diego LAFCO consider a conforming amendment to add the affected territory to Julian CSD's sphere of influence to achieve consistency with the requested annexation pursuant to Government Code Section 56375.5. Consideration of the amendment is premised on the Commission's statutory task to designate spheres to demark the affected agencies' appropriate current and future service areas relative to community benefits and needs as determined by LAFCO. To this end, staff believes it would be appropriate for the Commission to approve the amendment for the cumulative effect of recognizing Julian CSD should ultimately provide water service to the affected territory when the timing is separately deemed appropriate. Three related policy factors underlie this conclusion. First, the affected territory is planned and used for an industrial purpose and readily suggests the need for urban supporting services - like water. Second, the affected territory's location does not materially alter the footprint of the existing water system. Third, there appears to be no viable service alternatives given suspected deficiencies with groundwater and the costs/inefficiencies in trucking and storing supplies. Additional analysis supporting the conclusion is provided in Appendix A.

Conclusion | Merits of the Sphere Amendment

Approval of the sphere of influence amendment to designate Julian CSD as the appropriate current and future provider of public water service for the affected territory is warranted. Justification is marked by the preceding analysis and would produce a minor amendment that better aligns Julian CSD's sphere to support a present and planned urban use within the existing footprint of the District's service area. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 | Change of Organization Timing

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

- Service Needs

Annexation of the affected territory to Julian CSD would represent a logical and orderly expansion of the District's jurisdictional boundary and water services therein and marked by accommodating an existing need. Additional details follow.

- Establishing public water services to the affected territory is consistent with the adopted land use policies of the County of San Diego; the governmental entity tasked now and into the foreseeable future with community planning by LAFCO as evident by the land not being within any city sphere.
- There is an existing and reasonable need for public water service to accommodate the current and planned light industrial uses within the affected territory given the no other viable alternatives are available.

- Service Capacities and Levels

Julian CSD has available and sufficient supply, storage, and treatment capacities to accommodate projected demands in the affected territory at its potential maximum uses without expanding any public infrastructure. Additional details follow.

- An existing Julian CSD water main is located immediately adjacent to the affected territory within the public right-of-way on Hollow Glen Road and accessible through a private lateral connection. No extension of public infrastructure, accordingly, is required to serve the affected territory.
- It is projected the maximum average day water demand generated within the affected territory is 740 gallons and matches the current use of the subject parcel as a 1,600 square foot storage facility. This amount represents less than 0.2% of the existing available supply capacity of Julian CSD, and as such can be readily accommodated without additional District resources or planning.

- **Service Funding and Costs**

Julian CSD's financial resources are limited and have experienced recent downward trends and marked by total margin losses in each of the last four audited fiscal years with an overall average of (9.5%).³ This and other financial factors were detailed in a recent municipal service review and produces reasonable pause with respect to considering the expansion of Julian CSD's service commitments. This pause, however, is mitigated given the limited scope of the annexation and recognition the resulting connection will not produce any new fixed costs for the District.

Conclusion | Merits of Change of Organization Timing

The timing of the change of organization and annexation therein of the affected territory to Julian CSD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for water service and reflects available capacities and infrastructure. Julian CSD's financial resources – while limited and the source of concern – would ultimately benefit from the additional revenue given no new fixed costs are needed for the District to establish water service to the affected territory.

Item No. 3 |

Merits of Modification and Terms

Staff believes one modification to the submitted change of organization proposal is appropriate and it involves San Diego LAFCO adding the adjacent public right-of-way to the centerline of Hollow Glen Road. This recommendation expands the annexation by 0.05 acres and captures the existing water main needed to provide service to the affected territory. The recommended modification does not have a material effect on the applicant. Applying standard approval terms also appears appropriate.

Conclusion | Merits of Modifications and Terms

One modification of including 0.05 acres of public right-of-way on Hollow Glen Road is merited at this time and provides for a more orderly jurisdictional boundary. Standard terms are appropriate.

³ FY2014 through FY2017.

Other Statutory Considerations

Exchange of Property Tax Revenues

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

Environmental Review

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

- The sphere of influence amendment qualifies for exemption under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres of influence are planning policies and any amendments do not make any changes to the environment or authorize any new uses or services.
- The change of organization qualifies for exemption under State CEQA Guidelines Section 15319(a). This exemption and its cross-reference to Section 15303 appropriately applies given the affected territory involves an annexation of land already developed to its maximum density under existing land use policies.

Protest Proceedings

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

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

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

RECOMMENDATION

Staff recommends approval of the change of organization proposal with modifications as specified along with a conforming sphere of influence amendment and standard terms. This recommendation is provided as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Adopt the attached draft resolution approving the change of organization proposal with a modification to include the adjacent public right-of-way on Willow Glen Road along with the conforming sphere of influence amendment and standard terms.

Alternative Two:

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

Alternative Three:

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

PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO's agenda as part of a noticed hearing. The following procedures, accordingly, are suggested in the Commission's consideration.

1. Receive verbal report from staff unless waived;
2. Invite comments from the applicant and the subject agency;
3. Open the public hearing and receive audience comments; and
4. Close the public hearing and consider the recommendation.

On behalf of the Executive Officer,



Linda Zambito
Analyst I

Appendices:

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

Attachments:

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

**APPENDIX A
STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FACTORS**

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

The affected territory is entirely unincorporated and presently planned and used for light industrial consistent with the County of San Diego General Plan and Zoning Ordinance. This current and planned land use is consistent with the proposal's purpose to establish water services with the specific aim of enabling fire sprinklers. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands would not be considered prime agriculture under LAFCO law.

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

There is an existing and reasonable need for public water service to accommodate and support the current and planned light industrial use of the affected territory. It is further noted the affected territory's location does not materially alter the footprint of the existing water system and there appears to be no viable service alternatives given suspected deficiencies with groundwater and the costs/inefficiencies in trucking in supplies.

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

San Diego LAFCO recently prepared a comprehensive evaluation of Julian CSD as part of a regional municipal service review. This document coupled with additional analysis performed in the review of the proposal adequately attests Julian CSD has sufficient infrastructure capacities to extend public water service to the affected territory.

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

The affected territory lies immediately adjacent to Julian CSD's sphere of influence and jurisdictional boundary. Amending the sphere to include the affected territory would result in a minor expansion and facilitate a readily available connection to the water system.

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

All lands within the Julian region – including the affected territory – qualify as a disadvantaged unincorporated community under San Diego LAFCO policy.

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

- a) **Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.**
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The affected territory includes one unincorporated and uninhabited parcel in the County of San Diego totaling 0.65 acres along with the recommended modification by staff to include an adjacent 0.05 acre public right-of-way segment.⁶ The subject parcel is developed with an approximate 1,600 square foot public facility comprising of on sand barn to be used by Caltrans to store sand and cinders under cover for road safety and repair work. The County of San Diego is the current landowner and as such there is no assessed value. No significant growth is expected in the Julian region within the next 10 years.

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

The County of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads and drainage, and public safety divided between County Sheriff and County Fire Authority. This proposal affects only water and is the focus of the succeeding analysis.

- **Extending Public Water to Affected Territory**

The affected territory currently has no available water source. Annexation would allow the affected territory to connect to the adjacent Julian CSD public water main located within the public right-of-way on Willow Glen Road. Connection would involve a private lateral; no public infrastructure extension would be required. It is projected the average daily water flow for the affected territory at its maximum development use – which matches the existing 1,600 square foot utility storage facility – is 740 gallons. This projected demand represents less than 0.17% of the current 0.440 million gallons of available and remaining daily supply capacity available to Julian CSD. The projected demand would similarly have negligible impacts on Julian CSD's treatment and storage capacities.

⁶ The subject parcel is located at 1165 Guava Lane. The County Assessor's Office identifies the subject parcel as 498-270-12.

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

Approving the change of organization would establish economic and social ties between Julian CSD and the affected territory based on mutual interest therein in expanding the role of the District as the public water provider in support of planned urban-type uses.

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

The affected territory is developed as a conforming limited industrial use under the County of San Diego General Plan. Approving the proposed change of organization would facilitate the establishment of public water services to the newly constructed public and in doing so support County's community planning policies. None of the lands qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377.

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

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

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

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

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

The proposal would not conflict with San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG).

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

The affected territory is entirely designated for limited industrial use under the adopted land use policies of the County of San Diego. This includes designating and zoning the lands as M52 Limited Industrial. These existing and planned uses are consistent with the proposal's purpose to provide public water to the existing utility structure.

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

The affected territory is not located within the Julian CSD sphere of influence and a concurrent amendment to include the subject parcel is recommended for consistency with the change of organization. See Appendix A for additional analysis.

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

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

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

Information collected and reviewed as part of San Diego LAFCO's recent municipal service review for the Julian region concluded Julian CSD operates with modest financial resources and its long-term sustainability merits attention going forward. This includes the municipal service review identifying the following downward trends based on audited information collected between Fiscal Years 2014 and 2017:

- Julian CSD's net position steadily decreased during the period with an ending amount of 1.310 million and reflecting an overall change of (9.8%). The ending amount is also entirely categorized as restricted or capital with no unrestricted monies available.
- Julian CSD experienced average annual total margin loss during the period of (9.5%).

The preceding factors produces reasonable pause with respect to considering the expansion of Julian CSD's service commitments. Staff believes this pause is reasonably mitigated given the limited scope of the annexation and recognition the resulting connection will not produce any new fixed costs and as such will generate net revenue for Julian CSD through the payment of a connection fee and ongoing usage charges.

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

San Diego LAFCO's recently completed municipal service review on the Julian region independently concludes Julian CSD has sufficient water supplies and related capacities in meeting current demands. These capacities would not be materially affected by the annexation and connection therein of the affected territory to the Julian CSD water system based on the subject parcel's current and planned land uses.

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

The change of organization would not impact regional housing needs given the affected territory is designated and zoned for non-residential uses by the County of San Diego. Annexation would not change the land use authority.

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

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

o) Any information relating to existing land use designations.

See earlier analysis on page 11.

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

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

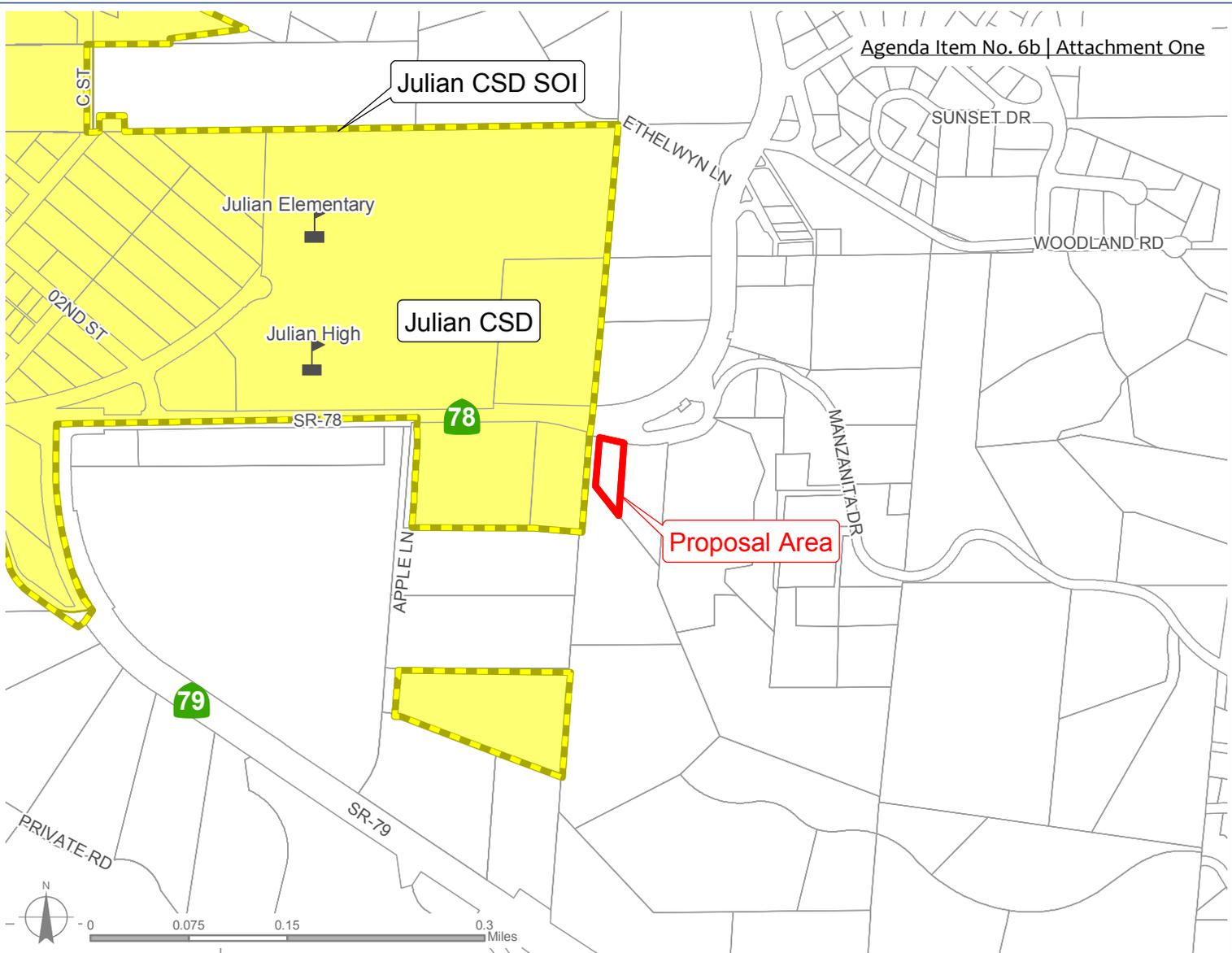
- q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined it is relevant to the area that is the subject of the proposal.**
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All of the affected territory lies within a State Responsibility Area. The affected territory is also included within a “very-high fire hazard severity zone” under the County of San Diego General Plan.

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

Approval of the change of organization would be in the best interest of the current and future landowners as well as surrounding residents by enabling the operation of fire sprinklers for a light industrial use.

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DA19-14

PROPOSED "HOLLOW GLEN CHANGE OF ORGANIZATION" TO JULIAN COMMUNITY SERVICES DISTRICT (CSD)

-  Proposal Area
-  Julian CSD
-  Julian CSD SOI

SOI = Sphere of Influence

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RESOLUTION NO. _____

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

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

**HOLLOW GLEN CHANGE OF ORGANIZATION
ANNEXATION TO THE JULIAN COMMUNITY SERVICES DISTRICT
LAFCO FILE NO. DA19-14**

WHEREAS, on August 8, 2019, the Julian Community Services District filed a resolution of application with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the proposal seeks approval for a change of organization involving annexation of approximately 0.65 acres of unincorporated territory for the purpose of connection to the Julian Community Services District’s potable water system; and

WHEREAS, the affected territory as proposed comprises one improved and unincorporated parcel identified by the County of San Diego Assessor’s Office as 291-122-20; and

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on November 4, 2019; and

WHEREAS, the Commission considered all the factors required by law under Government Code Sections 56668 and 56425 and adopted local policies and procedures.

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

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

2. At the hearing, the Commission called for, heard, and considered all interested parties and public comments and read and considered the Executive Officer's report.
3. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the Hollow Glen Change of Organization proposal as detailed in the Executive Officer's report: (a) an accommodating sphere of influence amendment and the (b) the change of reorganization itself. The Commission's findings follow.
 - a) The Commission finds the sphere of influence amendment to the Julian Community Services District to include the affected territory as described qualifies as a project under CEQA but exempt from further review under the "general rule" provision provided under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty spheres are planning policies and any amendments do not make any changes to the environment or authorize any new uses or services.
 - b) The Commission finds the change of organization to annex the affected territory as described to the Julian Community Services District qualifies as a project under CEQA but is exempt from further environmental review under State CEQA Guidelines Section 15319(a). This exemption appropriately applies given the project involves an annexation of land at its maximum density.
4. The Commission APPROVES the following sphere of influence amendment subject to successful recordation of the associated change of organization and in doing so makes the statements required under Government Code Section 56425 and provided in "Exhibit A."
 - a) The sphere of influence for the Julian Community Services District is amended to include the affected territory as shown in "Exhibit B."
5. The Commission APPROVES the change of organization with modifications as described below and subject to conditions as provided. Approval involves all of the follow:
 - a) The affected territory is modified to include the adjacent public right-of-way to the centerline on Hollow Glen Road.
 - b) The affected territory as modified by the Commission is fully shown in "Exhibit B" and described in "Exhibit C."
6. The Commission CONDITIONS the approvals on the following terms being satisfied by November 4, 2020 unless an extension is requested and approved by the Executive Officer:

- a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Submittal to the Commission of a final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
 - c) Submittal to the Commission of the following payments:
 - A check made payable to LAFCO in the amount of \$100.00 for the County of San Diego-Clerk Recorder to reimburse for filing two CEQA Notices of Exemption consistent with the findings in the resolution.
 - A check made payable to LAFCO in the amount of \$303.72 to reimburse for the public hearing notice publication.
 - A check made payable to the State Board of Equalization for processing fees in the amount of \$300.00.
7. The Commission assigns the proposal the following short-term designation:

“Hollow Glen Change of Organization” to the Julian Community Services District
 8. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
 9. The Commission waives conducting authority proceedings under Government Code Section 56662.
 10. The Julian Community Services District is a registered-voter district.
 11. The Julian Community Services District utilizes the County of San Diego assessment roll.
 12. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Julian Community Services District as provided under Government Section 57328.
 13. The effective date of the approval shall be the date of recordation but not before December 4, 2019 and only after all terms have been completed as attested by the Executive Officer.
 14. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defects, errors, irregularities, or omissions.

15. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Sections 56880-56882 of the Government Code.

16. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on 4th of November 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Approve to Form:

Holly Whatley,
Commission Counsel

Attest:

Jo MacKenzie
Commission Chair

EXHIBIT A

SPHERE OF INFLUENCE DETERMINATIONS

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

The affected territory is entirely unincorporated and presently planned and used for light industrial consistent with the County of San Diego General Plan and Zoning Ordinance. This current and planned land use is consistent with the proposal's purpose to establish water services with the specific aim of enabling fire sprinklers. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands would not be considered prime agriculture under LAFCO law.

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

There is an existing and reasonable need for public water service to accommodate and support the current and planned light industrial use of the affected territory. It is further noted the affected territory's location does not materially alter the footprint of the existing water system and there appears to be no viable service alternatives given suspected deficiencies with groundwater and the costs/inefficiencies in trucking in supplies.

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

San Diego LAFCO recently prepared a comprehensive evaluation of Julian CSD as part of a regional municipal service review. This document coupled with additional analysis performed in the review of the proposal adequately attests Julian CSD has sufficient infrastructure capacities to extend public water service to the affected territory.

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

The affected territory lies immediately adjacent to Julian CSD's sphere of influence and jurisdictional boundary. Amending the sphere to include the affected territory would result in a minor expansion and facilitate a readily available connection to the water system.

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

All lands within the Julian region – including the affected territory – qualify as a disadvantaged unincorporated community under San Diego LAFCO policy.

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EXHIBIT B

Placeholder for Recordation
Map of Affected Territory
and Annexation to Julian Community Services District

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EXHIBIT C

Placeholder for Recordation
Description of Affected Territory
and Annexation to Julian Community Services District

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**JULIAN COMMUNITY SERVICES DISTRICT
RESOLUTION 19-02**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JULIAN COMMUNITY SERVICES DISTRICT TO MAKE AN APPLICATION TO THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION FOR ANNEXATION

WHEREAS, the Julian Community Services District (“District”) is a Community Services District organized pursuant to Section 61000 *et seq.* of the California Government Code; and

WHEREAS, the Board of the District is informed that the County of San Diego has constructed facilities for CALTRANS upon San Diego County Assessor’s Parcel Number 291-122-20, located at 1471 Hollow Glen Road, Julian, CA 92036, (“the Property”); and

WHEREAS, the County of San Diego has requested the Board of the District to annex the Property to permit the extension of water utility service to the Property to enable the operation of fire sprinklers; and

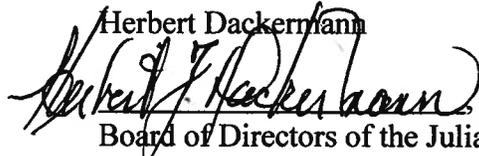
WHEREAS, the Board of the District wishes to annex the Property upon the request of the County of San Diego, for the purpose of providing water service to the facilities on the Property; and

THEREFORE, it is resolved:

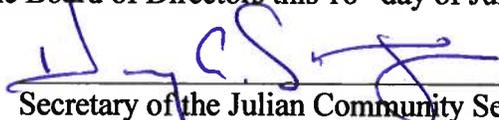
That the Board of Directors of the Julian Community Services District directs that an application for the annexation of the Property be submitted to the San Diego Local Agency Formation Commission.

PASSED, APPROVED AND ADOPTED this 16th day of July, 2019.

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

Herbert Dackernfann

President
Board of Directors of the Julian
Community Services District

ATTEST my hand and the seal of the Board of Directors this 16th day of July, 2019.


Secretary of the Julian Community Services District

**JULIAN COMMUNITY SERVICES DISTRICT
RESOLUTION 19-03**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JULIAN COMMUNITY SERVICES DISTRICT CERTIFYING THAT THE ANNEXATION OF ASSESSOR'S PARCEL NUMBER 291-122-20 QUALIFIES FOR THE CATEGORICAL EXEMPTION SET FORTH AT 14 CALIFORNIA CODE OF REGULATIONS SECTION 15319

WHEREAS, the Julian Community Services District ("District") is a Community Services District organized pursuant to Section 61000 *et seq.* of the California Government Code; and

WHEREAS, the Board of the District is informed that the County of San Diego has constructed facilities for CALTRANS upon San Diego County Assessor's Parcel Number 291-122-20, located at 1471 Hollow Glen Road, Julian, CA 92036, ("the Property"); and

WHEREAS, the County of San Diego has requested the Board of the District to annex the Property to permit the extension of water utility service to the Property to enable the operation of fire sprinklers; and

WHEREAS, the Board of the District wishes to annex the Property upon the request of the County of San Diego, for the purpose of providing water service to the facilities on the Property; and

WHEREAS, the Board of the District is informed that the extension of water utility service to the existing facilities located upon the Property will have the capacity to serve only the existing facilities, and it is not foreseeable that the extension of water service to the Property will have the potential to serve a greater capacity than existing uses; and

WHEREAS, 14 California Code of Regulations §15319 provides a categorical exemption from environmental review pursuant to California Public Resources Act §§ 21000 to 21177 (CEQA) which exempts the annexation of public facilities by special districts when the extension of utility services to such facilities has the capacity to serve only the existing facilities.

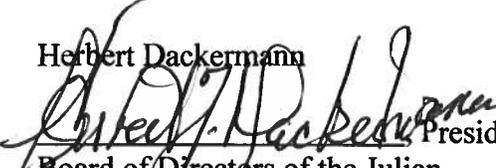
THEREFORE, it is resolved:

That the Board of Directors of the Julian Community Services District finds and certifies that the annexation of the Property qualifies for the categorical exemption set forth in of 14 California Code of Regulations §15319, (14 CCR 15319) .

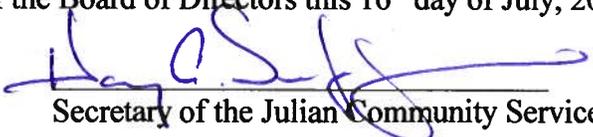
**JULIAN COMMUNITY SERVICES DISTRICT
RESOLUTION 19-03
PAGE 2**

PASSED, APPROVED AND ADOPTED this 16th day of July, 2019.

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

Herbert Dackermann

President
Board of Directors of the Julian
Community Services District

ATTEST my hand and the seal of the Board of Directors this 16th day of July, 2019.


Secretary of the Julian Community Services District

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