



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

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AGENDA REPORT
 Public Hearing

December 2, 2019

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: **Proposed “Catalina Avenue Reorganization” | Concurrent Annexation to the Vista Irrigation District and Detachment from the Vallecitos Water District and Associated Sphere Amendments (RO19-13)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a reorganization proposal filed by interested landowners with the principal action to annex 1.3 unincorporated acres outside the City of Vista to the Vista Irrigation District (ID). A concurrent detachment from Vallecitos Water District (WD) is also proposed. The proposal’s purpose is to extend Vista ID’s water service to the affected territory to facilitate the development of a single-family residence. Staff recommends approval of the reorganization without modifications. Conforming sphere of influence amendments for both subject agencies and standard approval terms are also recommended as well as waiving protest.

BACKGROUND

Applicants’ Request

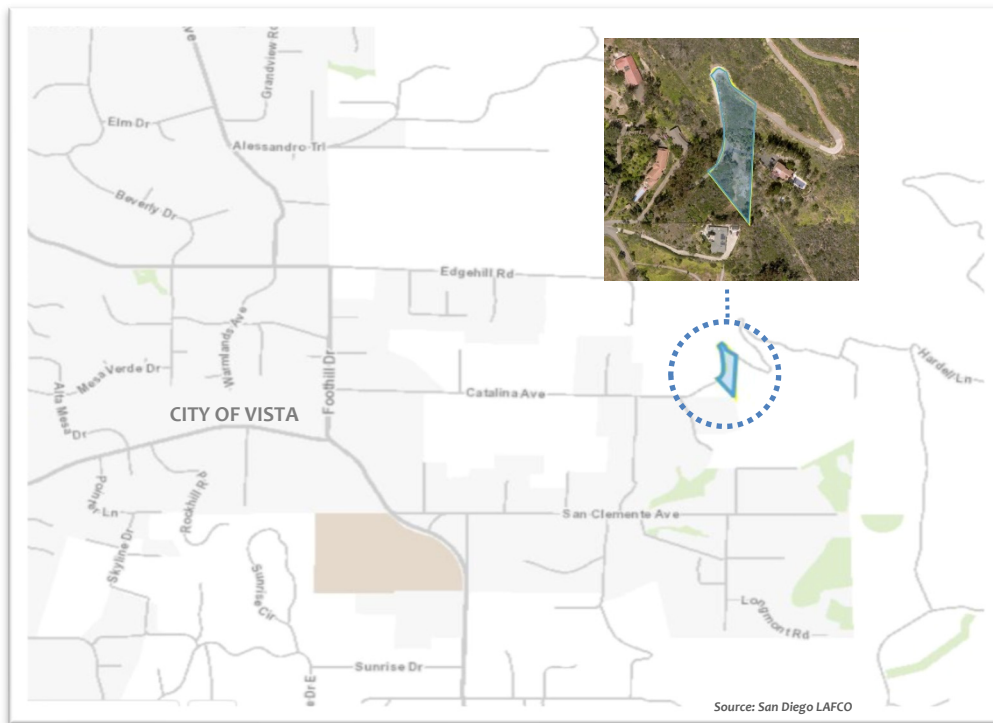
San Diego LAFCO has received an application from interested landowners – Robert and Theresa Gualtierri – requesting approval to reorganize 1.3 acres of unincorporated and undeveloped land with the principal action to annex to Vista ID. A concurrent detachment from the Vallecitos WD is also proposed. The affected territory as submitted includes one of two parcels that collectively comprise a 2.2-acre lot located immediately beyond the eastern

<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 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>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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terminus of Catalina Avenue. A portion of a private road – Catalina Heights Way – is also part of the affected territory and runs along the entire length of the western and northern boundary. The lot has been split into two parcels for assessment purposes and delineates the existing boundary demarcation between Vista ID and Vallecitos WD with the affected territory in the latter category although not connected to either Vallecitos’ water or wastewater systems. The affected territory also lies in the City of Vista’s sphere of influence. The subject parcel is identified by the County of San Diego Assessor’s Office as 178-040-45.¹

Affected Territory

The following map shows the approximate location of the affected territory in context to the greater Vista region. Attachment One shows the affected territory relative to the proposed boundary changes involving the subject agencies.



Subject Agencies

The proposed reorganization filed with San Diego LAFCO involves two subject agencies: Vista ID and Vallecitos WD.² Summaries of both subject agencies in terms of resident population, municipal service functions, and financial standing follows.

¹ The other parcel that comprises the underlying lot is identified by the County Assessor’s Office as 178-140-12.

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

- Vista ID is an independent special district formed in 1923 and spans approximately 63,569 acres or 99 square miles and includes most of the City of Vista as well as portions of the Cities of Escondido, Oceanside, and San Marcos. Vista ID also extends into the adjacent unincorporated community of Twin Oaks. A five-member Board of Directors oversees Vista ID's one active municipal service function: water (retail class). The estimated resident population is 134,829 with an average annual growth rate of 1.1% since 2010 and the last census reset. LAFCO established a sphere of influence for Vista ID in 1988, which was last updated in 2007 with a smaller-than-agency designation to exclude 43,459 jurisdictional acres and equals 68.4% of the District boundary. (The majority of the excluded jurisdictional land lies within the Lake Henshaw watershed.) Vista ID's audited net position is \$112.7 million as of June 30, 2018 and has increased by 6.2% over the prior three fiscal years.
- Vallecitos WD is an independent special district formed in 1955 and spans approximately 28,800 acres or 45 square miles and includes nearly all of the City of San Marcos as well as portions of the Cities of Carlsbad, Escondido, and Vista. Vallecitos WD also extends into the adjacent unincorporated communities of Twin Oaks and Deer Springs. A five-member Board of Directors oversees Vallecitos WD's three active municipal service functions: water (retail class); recycled water (retail class); and wastewater (collection, treatment, and disposal classes). The estimated resident population is 102,129 with an average annual growth rate of 1.9% since 2010 and the last census reset. LAFCO established a sphere of influence for Vallecitos WD in 1985, which was last updated in 2007 with a larger-than-agency designation to include 2,150 non-jurisdictional acres and equals 7.5% of the jurisdictional boundary. Vallecitos WD's audited net position is \$262.2 million as of June 30, 2018 and has increased by 5.1% over the prior three fiscal years.

Affected Local Agencies

The affected territory lies within the jurisdictional boundaries and/or spheres of influence of 11 local agencies directly subject to San Diego LAFCO. These agencies qualify as “affected agencies” relative to the proposed reorganization and listed below.³

- City of Vista (sphere only)
- County Service Area No. 135 - Regional Communications
- North County Cemetery District
- San Diego County Water Authority
- Metropolitan Water District of Southern California
- Palomar Health Healthcare District
- Resource Conservation District of Greater San Diego County
- San Diego County Flood Control District
- San Diego County Street Lighting District
- Vallecitos Water District

³ 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.

- Vista Fire Protection District

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the reorganization proposal and the principal action to annex the affected territory to Vista ID. An associated boundary change to concurrently detach the affected territory from Vallecitos WD is also part of the requested reorganization. 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 primary purpose of the proposed reorganization before San Diego LAFCO is to facilitate the development of the affected territory into a single-family residence by making available public water service. Vista ID's water main runs adjacent to the affected territory along an easement underlying Catalina Heights Way and readily accessible through a private lateral connection. The reorganization would also eliminate the need for the underlying lot to be divided into two assessor parcels and the associated replication of taxes and assessments.

Development Potential

The County of San Diego General Plan identifies the affected territory as part of the North County Metro Community Planning Area. The County designates the affected territory as Village Residential (VR-2) with a zoning standard of Light Agriculture (A70). The zoning standard prescribes a minimum lot of size of 0.5 acres. The application of this zoning standard to the entire 2.2-acre lot that includes the subject parcel results in a maximum potential density of four lots. It is reasonable to assume – however – only the subject parcel that makes up the affected territory is developable given topography constraints with the other parcel and this reduces the probable maximum density to two lots. It is further assumed the maximum intensity with the affected territory is four units through the addition of accessory dwelling units for each developed single-family residence.

Commission Focus

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

ANALYSIS

San Diego LAFCO's analysis of the reorganization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and specifically analyzing the merits of sphere amendments and the reorganization as well as whether modifications and terms are appropriate in further addressing Commission goals and policies. The second subsection considers other germane issues and highlighted by applicability under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 | Sphere of Influence Amendments

The proposed reorganization necessitates San Diego LAFCO consider sphere of influence amendments for both subject agencies to achieve consistency with the requested boundary changes under statute. The scope of the accommodating amendments involves expanding Vista ID's sphere to include the affected territory while reducing Vallecitos WD's sphere to exclude the affected territory. Consideration of the amendments are 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 the membership. Staff believes it would be appropriate for the Commission to proceed and approve the sphere amendments for the cumulative effect of prioritizing and recognizing Vista ID – and not Vallecitos WD – is the best water service provider for the affected territory going forward. Two related policy factors underlie the merits of the amendments. First, the sphere amendments would reflect the planning investment made by Vista ID to make available water service to the area comprising the affected territory whereas no such comprehensive planning has been performed by Vallecitos WD. Second, the sphere amendments would parallel and support the Commission's standing determination the affected territory should eventually transition into the City of Vista and in doing so sync with Vista ID as the primary water service provider within the City.

Conclusion | Merits of the Sphere Amendments

Approval of the conforming amendments to add the affected territory to Vista ID's sphere and exclude from Vallecitos WD's sphere is warranted. Justification is marked by the preceding analysis and cumulatively recognizes Vista ID is the appropriate and best positioned local agency to provide water service to the affected territory in immediate support of the land use policies of the County of San Diego and eventually City of Vista. It is separately recognized public wastewater services are not planned with the anticipated construction of an onsite septic system, which given the size of the subject parcel can be readily accommodated. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 | Reorganization Timing

The timing of the reorganization – and specifically the annexation of the affected territory to Vista ID and concurrent detachment from Vallecitos WD – appears appropriate. This conclusion draws from the analysis of the factors required for consideration under LAFCO law anytime jurisdictional changes are proposed along with locally adopted Commission policies. The majority of the prescribed factors focus on the impacts of the proposed annexation on the service and financial capacities of the *receiving* agency, Vista ID (emphasis added). No single factor is determinative. A summary of key conclusions generated in the review of these items follows with additional analysis provided in Appendix B.

- Service Needs

Annexation of the affected territory to Vista ID would represent a logical and orderly expansion of the District’s jurisdictional boundary and water services therein and marked by accommodating a planned and pending need. Additional details follow.

- Annexation to Vista ID is consistent and facilitates the adopted residential land use policies of the County of San Diego. Annexation also – pertinently – is consistent and facilitates the land use policies contemplated for the affected territory by the City of Vista; the anticipated future land use authority for the affected territory as determined by the Commission and marked by the standing inclusion of the land in the City’s sphere.
- The landowners of the affected territory have initiated the proposal in response to beginning a development application with the County of San Diego to construct a single-family residence consistent with zoning. These factors help to quantify the annexation of the affected territory to Vista ID is appropriate by synching the timing of the boundary change with an expected and known need.

- Service Capacities and Levels

Vista ID has sufficient and excess water system capacities to accommodate projected service demands within the affected territory at its potential maximum development uses without significant expansion of any public infrastructure. Additional details on relevant service capacities and levels follow.

- An existing Vista ID eight-inch water main adjacent to the affected territory along an easement underlying Catalina Heights Way and readily accessible through a private lateral connection. The projected average day water demand generated in the affected territory based on the anticipated construction of one single family residence is 300 gallons. This projected amount can be readily accommodated by Vista ID and represents 0.002% of its available supply capacity remaining within its connected distribution system based on recent demands.⁴ The maximum buildout of the affected territory is four units (two single family residences and two accessory dwelling units) and would increase the average day water demand to

⁴ Vista ID reports its current average annual water demand is 17.3 million gallons a day compared to a maximum capacity (supply and infrastructure) of 79.3 million gallons. This produces a current demand-to-capacity ratio of 21.816%.

1,200 gallons per day or 0.007% of Vista ID's remaining available system capacity.

- **Service Funding and Costs**

Vista ID has the financial resources coupled with administrative controls to provide water services to the affected territory in support of its planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Vista ID's recent audited statements which shows – among other items – the District remained profitable in each of the last three audited fiscal years with an average total margin of 7.8%.⁵

Conclusion | Merits of Reorganization Timing

The timing of the reorganization and annexation therein of the affected territory to Vista ID is sufficiently warranted. Justification is marked by accommodating the anticipated development of the affected territory consistent with County of San Diego land use policies in a manner that reflects available infrastructure and capacities. Additional analysis supporting the conclusion is provided in Appendix B.

Item No. 3 | Modifications and Terms

No boundary modifications to the reorganization proposal have been identified by staff meriting consideration by San Diego LAFCO at this time. Staff relatedly recognizes the affected territory lies in the City of Vista's sphere of influence and reflects the Commission's policy expectation the lands ultimately annex to the City. The decision by the landowners to pursue a development project with the County coupled with no documented requests or comments otherwise from Vista substantively suggests annexation to the City would be premature based on these local conditions.⁶ Standard approval terms are recommended.

Conclusion | Modifications and Terms

No modifications appear warranted. Standard terms are recommended.

(continued)

⁵ Audited statements cover FY2016, 2017, and 2018.

⁶ It would be appropriate for LAFCO, County, and Vista to discuss opportunities to time the annexation of lands within the existing Vista sphere to the City following land use entitlement as part of future municipal service reviews.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. Staff has confirmed the County Board of Supervisors has adopted a master agreement applicable to the proposed reorganization. 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 amendments and the (b) reorganization itself. The Executive Officer has determined both actions – sphere amendments and the reorganization – qualify as projects under CEQA but are exempt from further review based on the following findings.

- The amendments to the spheres of influence to add the affected territory to Vista ID and concurrently remove from Vallecitos WD qualifies for exemption under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any amendments do not change the environment or authorize any new uses or services.
- The reorganization of the affected territory to annex to Vista ID and detach from Vallecitos WD qualifies for exemption under State CEQA Guidelines Section 15320. This exemption appropriately applies given the reorganization involves changes in the organization of local agencies and does not alter the geographic area in which the applicable service (i.e., water) is already authorized to be provided by a public agency. No new service powers are established by the reorganization.

Protest Proceedings

Protest proceeding for the reorganization may be waived by San Diego LAFCO should the Commission proceed with an approval under statute.⁷ The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law, the subject agencies have not filed objections, and all landowners have consented to the underlying actions as the initiating petitioners.⁸

⁷ Reference to Government Code Section 5662.

⁸ LAFCO law defines uninhabited as territory in which 11 or less registered voters reside.

RECOMMENDATION

Staff recommends approval of the reorganization proposal without modifications along with standard terms based on the analysis provided in the preceding analysis. This recommendation is consistent with Alternative One in the proceeding section and would generate the following jurisdictional boundary changes in San Diego County:

- Annexation of all 1.3 acres of the affected territory to Vista ID.
- Detachment of all 1.3 acres of the affected territory from Vallecitos WD.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Adopt the attached draft resolution approving the reorganization proposal without modifications and with standard terms. Protest would also be waived.

Alternative Two:

Continue consideration to a future meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:

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

PROCEDURES FOR CONSIDERATION

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

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

Respectfully,



Keene Simonds
Executive Officer

San Diego LAFCO

December 2, 2019 Meeting

Agenda Item No. 6a | Catalina Avenue Reorganization (RO19-13)

Appendices:

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

Attachments:

- 1) Vicinity Map of the Affected Territory
- 2) Draft Resolution of Approval
- 3) Landowners' Petition

**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 comprises an approximate 1.3 acre unincorporated and undeveloped parcel located outside the City of Vista. The subject parcel is one of two parcels that comprises a 2.2-acre legal lot, which is zoned for single-family residential uses by the County of San Diego. Development within the lot is limited to the subject parcel comprising the affected territory and it is reasonable to assume the maximum density/intensity under zoning therein is two single-family residential lots with two accessory dwelling units. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are also not considered prime agriculture under LAFCO law and do not contain open-space lands. These land uses are consistent with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

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

There is a need for public water service to accommodate the planned residential use of the affected territory under the County of San Diego's adopted land use policies consistent with the surrounding and developing area. These needs align with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

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

Vista ID has available infrastructure capacities to connect and accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Vallecitos WD does not have available infrastructure capacities to connect to the affected territory without significant expansion. These capacity considerations are consistent with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

(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.

Vista ID has established explicit social and economic ties with incorporated and unincorporated lands surrounding the affected territory as the primary public water service provider. These existing ties are relevant to the proposal and extend to the affected territory given the connection to Vista ID's water system is needed to allow the land to efficiently develop as contemplated under the County of San Diego General Plan.

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

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

APPENDIX B

Government Code Section 56668

Proposal Review Factors

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

The affected territory is approximately 1.3 acres in size and comprises an undeveloped, uninhabited, and unincorporated assessor parcel (178-040-45). The subject parcel also includes a portion of a private road (Catalina Heights Way) along its western and northern parameter that provides access to neighboring unincorporated properties to the east. The affected territory is part of a modestly developing area immediately adjacent to the City of Vista and characterized by residential estates that are generally 0.5 acres in size. The total assessed value (land only) in the affected territory is \$23,650 as of November 2019.

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

The County of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, and public safety with the latter including law enforcement via the County Sheriff. Other pertinent service providers include Vista Fire Protection District (fire protection and emergency medical) and County Service Area 135 (regional communications). The affected territory is also within Vallecitos WD but has not established water or wastewater service to date. This proposal affects water services and is the focus of the succeeding analysis.

- **Extending Public Water to Affected Territory**

An existing Vista ID eight-inch water main runs adjacent to the affected territory along an easement underlying Catalina Heights Way and readily accessible through a private lateral connection. The projected average day water demand generated in the affected territory based on the anticipated construction of one single family residence is 300 gallons. This projected amount can be readily accommodated by Vista ID and represents 0.002% of its available supply capacity remaining within its connected distribution system based on recent demands. The maximum buildout of the affected territory is four units (two single family residences and two accessory dwelling units) and would increase the average day water demand to 1,200 gallons per day or 0.007% of Vista ID's remaining available system capacity.

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 reorganization proposal and annexation to Vista ID would explicitly establish economic and social ties between the District and the affected territory. These ties implicitly exist already given the affected territory's ability to develop has become substantively dependent on establishing water service with Vista ID given the lack of viable alternatives.

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

Approving the proposed reorganization and annexation to Vista ID would facilitate the establishment of public water service to facilitate the development of the affected territory into a single-family residence consistent with County of San Diego's land use policies. Approval would be consistent with the Commission's adopted policies to sync urban type uses with urban type services. The affected territory does not qualify as "open-space" as defined under LAFCO law and no conflicts exists under G.C. Section 56377. Additional analysis concerning applicability of germane Commission policies follow.

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

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

The affected territory does not qualify as "prime agricultural land" under LAFCO law. Specifically, the lands are not currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the reorganization proposal and annexation to Vista ID would have no effect on maintaining the physical and economic integrity of agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization for the proposed reorganization and two concurrent boundary changes: annexation to Vista ID and detachment from Vallecitos WD. Approval would be conditioned on a final map and description conforming to the referenced standards. Approval for reorganization of the affected territory would not create islands or corridors of unincorporated territory. It is separately noted approval of the reorganization would bring both parcels that comprise the underlying lot under the jurisdiction of Vista ID and in doing so eliminate the need for the Assessor to continue to divide the land into parcels for tax purposes.

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

The proposed reorganization would facilitate the development of the affected territory into a single-family residence within an established metropolitan area (Vista/San Marcos) and in close proximity to two major transportation corridors in State Route 78 and Interstate 15. The proposal, accordingly, does not conflict with San Diego Forward, the regional transportation plan prepared by San Diego Association of Governments (SANDAG).

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

The proposed reorganization and its principal action to annex the affected territory to Vista ID to facilitate a single-family residence consistent with the County of San Diego land use policies. The County General Plan includes the affected territory as part of the North County Metro Community Planning Area and designates the underlying lot as Village Residential (VR-2), which allows up to 2.0 residential units per acre and equivalent to a minimum lot size of 0.50 acres. This existing designation coupled with topography considerations produces a maximum density potential of two lots within the underlying lot and all within the affected territory under County policy. The affected territory also lies in the sphere of influence of the City of Vista and signals the Commission's intention the lands should ultimately transition to the City. The reorganization proposal and the anticipated development is consistent with Vista's land use policies and present designation of Rural Residential and its minimum lot size requirement of 1.0 acres with additional details footnoted.⁹

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

See analysis provided as part of Appendix A.

⁹ It is reasonable to assume Vista would redesignate the affected territory at the time of annexation to Low Density Residential consistent with all other incorporated lands in the surrounding area. This latter designation matches the County with respect to prescribing a minimum lot size of 0.50 acres.

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

Staff provided notice of the reorganization proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report for distribution on November 22, 2019.

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.

Vista ID has the financial resources coupled with administrative controls to provide water services to the affected territory in support of its expected development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Vista ID's recent audited statements through 2017-2018 and supported by the following factors.

- Vista ID's last audit (2017-218) showed the District's net position at \$112.730 million with \$18.084 million categorized as unrestricted. This latter amount equals 4.5 months of operating expenses based on 2017-2018 actuals. Vista ID's net position has increased overall by 6.1% over the past three-year period.
- Vista ID's average total margin over the last three audit years has been 7.8%. All three fiscal years produced positive margins.

Should the Commission approve the reorganization the landowners will pay all required fees and service charges commensurate with Vista ID's adopted fee ordinance in establishing water services for the affected territory.

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

The affected territory is presently located within Vallecitos WD and eligible to directly connect to the District to establish domestic water service subject to infrastructure expansion. The approval of the proposed reorganization would transfer water service responsibility to Vista ID. This transfer – pertinently – retains the San Diego County Water Authority as the principal wholesale provider for the affected territory. (Vista ID also maintains supplemental local supplies through Lake Henshaw.) The Water Authority's most recently adopted urban water management plan attests it has sufficient water supplies to meet its member agencies needs through the planning horizon of 2035 under normal and single-dry year conditions. Conservation measures, however, would likely be needed during severe and multiple dry-year conditions. To this end, Vista ID has established a contingency plan to reduce water demands in the event of supply shortages consistent with recommendations from the Water Authority and this includes drawing on supplies generated within the Lake Henshaw watershed.

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

The proposed reorganization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments, SANDAG. The associated jurisdictional changes would not affect this assignment.

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

The affected territory is undeveloped with no registered voters and qualifies as "uninhabited" as defined by LAFCO law (containing 11 registered voters or less). The landowners have initiated the reorganization in conjunction with pursuing a development application with the County of San Diego to build a single-family residence.

o) Any information relating to existing land use designations.

See above analysis for (h).

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

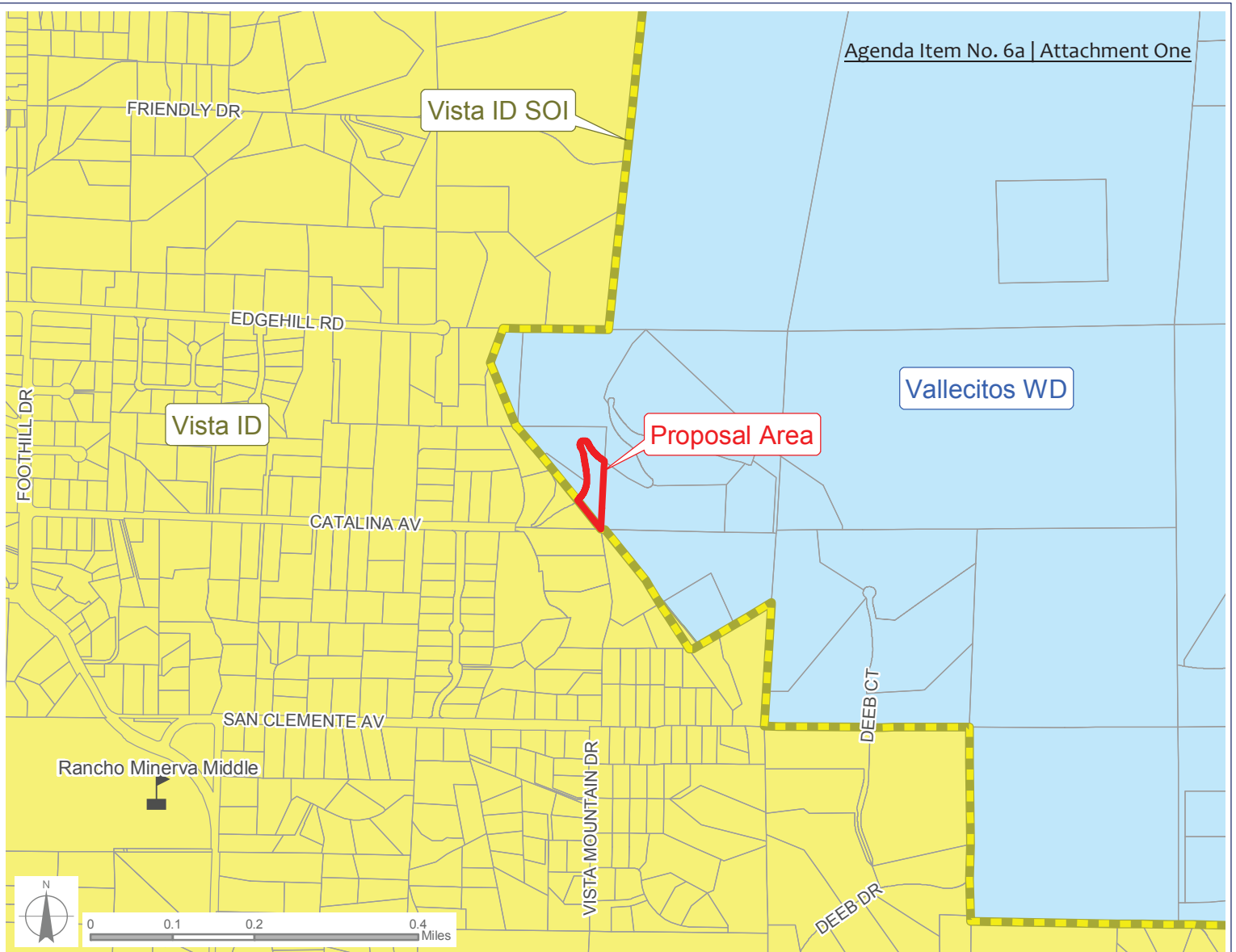
As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed reorganization does not include locating new public facilities. Therefore,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

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

The affected territory is entirely unincorporated and subject to the safety element of the County of San Diego General Plan. The County has mapped the affected territory within a "very high" fire hazard zone. Vista FPD is the designated fire service provider.


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

Approval of the reorganization proposal would be in the best interest of the current and future landowners and/or residents of the affected territory by providing access to reliable public water service going forward.



RO19-13
SA19-13

PROPOSED "CATALINA AVENUE REORGANIZATION" ANNEXATION TO VISTA ID AND CONCURRENT DETACHMENT FROM VALLECITOS WD

-  Proposal Area
-  Vista ID
-  Vista ID SOI
-  Vallecitos WD

SOI = Sphere of Influence

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RESOLUTION NO. _____

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

**MAKING DETERMINATIONS, APPROVING, AND ORDERING
A REORGANIZATION AND ASSOCIATED SPHERE OF INFLUENCE AMENDMENTS**

**“CATALINA AVENUE REORGANIZATION”
CONCURRENT ANNEXATION TO THE VISTA IRRIGATION DISTRICT AND
DETACHMENT FROM VALLECITOS WATER DISTRICT
LAFCO FILE NO. RO19-13**

WHEREAS, on July 29, 2019, landowners Robert and Thresa Gualtierri filed a petition to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application seeks approval for a reorganization of approximately 1.29 acres of unincorporated territory and includes the principal action to annex all of the affected territory to the Vista Irrigation District; and

WHEREAS, the reorganization application also seeks concurrent detachment of all of the affected territory from the Vallecitos Water District; and

WHEREAS, the affected territory as proposed comprises one undeveloped and unincorporated parcel identified by the County of San Diego Assessor’s Office as 178-040-45; and

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

WHEREAS, the Commission’s Executive Officer has reviewed the proposed reorganization 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 December 2, 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 reorganization proposal as detailed in the Executive Officer's report: (a) accommodating sphere of influence amendments and the (b) the reorganization itself. The Commission's findings follow.
 - a) The Commission finds the accommodating sphere of influence amendments to add the affected territory to Vista Irrigation District and concurrently remove from Vallecitos Water District is 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 of influence 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 reorganization to annex the affected territory as described to the Vista Irrigation District and detach from Vallecitos Water District is exempt from further review under State CEQA Guidelines Section 15320. This exemption appropriately applies given the reorganization involves changes in the organization of local agencies and does not alter the geographic area in which a service (i.e., water) is not already authorized by a public agency. No new service powers are established by the reorganization.
4. The Commission APPROVES the following sphere of influence amendments subject to successful recordation of the associated reorganization and makes the statements required under Government Code Section 56425 and provided in "Exhibit A."
 - a) The sphere of influence for the Vista Irrigation District is amended to add the affected territory as shown in "Exhibit B" and includes Assessor Parcel Number 178-040-45.
 - b) The sphere of influence for the Vallecitos Water District is amended to remove the affected territory as shown in "Exhibit B" and includes Assessor Parcel Number 178-040-45.
5. The Commission APPROVES the re organization without modifications and subject to conditions as provided. Approval involves all of the follow:

- a) Annexation of the affected territory to the Vista Irrigation District as shown in “Exhibit C-1” and described in “Exhibit C-2.”
 - b) Detachment of the affected territory from the Vallecitos Water District as shown in “Exhibit D-1” and described in “Exhibit D-2.”
6. The Commission CONDITIONS all approvals on the following terms being satisfied by December 2, 2020 unless an extension is requested in writing and approved by the Executive Officer:
- a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Submittal to the Commission of final maps and geographic descriptions of the affected territory relative to the approved jurisdictional changes 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:
- “Catalina Avenue Reorganization”
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 Vista Irrigation District is a registered-voter district.
 11. The Vista Irrigation 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 Vista Irrigation District as provided under Government Section 57328.

13. The effective date of the approval shall be the date of recordation but not before January 2, 2020 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.

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PASSED AND ADOPTED by the Commission on December 2, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Approve to Form:

Holly Whatley,
Commission Counsel

Attest:

Keene Simonds
Executive Officer

EXHIBIT A

SPHERE OF INFLUENCE DETERMINATIONS

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

The affected territory comprises an approximate 1.3 acre unincorporated and undeveloped parcel located outside the City of Vista. The subject parcel is one of two parcels that comprises a 2.2-acre legal lot, which is zoned for single-family residential uses by the County of San Diego. Development within the lot is limited to the subject parcel comprising the affected territory and it is reasonable to assume the maximum density/intensity under zoning therein is two single-family residential lots with two accessory dwelling units. The affected territory has not been cultivated for agricultural products and is not subject to the Williamson Act. The lands are also not considered prime agriculture under LAFCO law and do not contain open-space lands. These land uses are consistent with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

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

There is a need for public water service to accommodate the planned residential use of the affected territory under the County of San Diego's adopted land use policies consistent with the surrounding and developing area. These needs align with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

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

Vista ID has available infrastructure capacities to connect and accommodate estimated demands within the affected territory at its maximum uses without adversely impacting current ratepayers. Vallecitos WD does not have available infrastructure capacities to connect to the affected territory without significant expansion. These capacity considerations are consistent with the proposal's purpose to establish public water services to the affected territory by Vista ID and supports accommodating sphere amendments to Vista ID (add) and Vallecitos WD (remove).

(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.

Vista ID has established explicit social and economic ties with incorporated and unincorporated lands surrounding the affected territory as the primary public water service provider. These existing ties are relevant to the proposal and extend to the affected territory given the connection to Vista ID's water system is needed to allow the land to efficiently develop as contemplated under the County of San Diego General Plan.

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

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

EXHIBIT B

Placeholder for Recordation

Map of Sphere of Influence Amendments Affecting
Vista Irrigation District (add) and Vallecitos Water District (remove)

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EXHIBIT C-1

Placeholder for Recordation
Map of Affected Territory
and Annexation to Vista Irrigation District

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EXHIBIT C-2

Placeholder for Recordation

Description of Affected Territory
and Annexation to Vista Irrigation District

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EXHIBIT D-1

Placeholder for Recordation
Map of Affected Territory
and Detachment from Vallecitos Water District

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EXHIBIT D-2

Placeholder for Recordation

Description of Affected Territory
and Detachment from Vallecitos Water District

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

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

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

1. Notice is hereby given to circulate a petition proposing to: _____

Annexation of land (APN 178-040-45) into Vista Irrigation District. Detachment of said land from Vallecitos Water District.

2. The reason(s) for the proposal are: the proximity of available in-district (Vallecitos Water District-VWD) facilities to subject property

(several hundred feet) requires significant construction to bring to property. Vista Irrigation District (VID) facilities are much closer to subject lot.

<u>Robert Gualtieri</u>	_____
Proponent's Name (print)	Signature of proponent or representative
<u>419 Lado De Loma Dr</u>	<u>Vista Ca 92083</u>
Proponent's Address	City, State, Zip

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

Date

Executive Officer (Print and Sign)

PART II: DISCLOSURE REQUIREMENTS

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than \$250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and LAFCO disclosure forms are available at [HTTP://WWW.SDLAFCO.ORG](http://www.sdlafco.org) or by calling 858/614-7755.

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

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

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

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

(a) The specific change(s) of organization proposed is/are: _____
Annexation of of land associated with APN No. 178-040-45 into Vista Irrigation Dist.

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

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

(d) The reason(s) for the proposal is/are: the proximity of available water facilities to subject property (several hundred feet) requires significant construction to bring to property. Vista Irrigation District facilities are much closer to subject lot.

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

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

1. Robert Gualtieri 419 Lado De Loma Dr, Vista, CA 92083
Name of chief proponent (print) mailing address

2. Theresa Gualtieri 419 Lado De Loma Dr, Vista, CA 92083
Name of chief proponent (print) mailing address

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

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

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

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

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

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

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

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

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

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

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

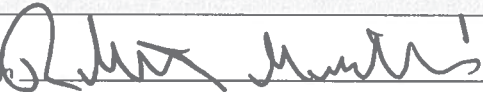
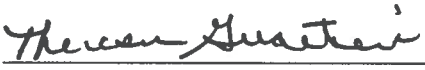
(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: N/A

Part IVb: LANDOWNER PETITION

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

Each of the undersigned states:

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

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign <u></u> Print <u>Robert Gualtieri</u>	178-040-45	7.29.19	
Sign <u></u> Print <u>Theresa Gualtieri</u>	178-040-45	7.29.19	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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