



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

7a

AGENDA REPORT
 Business | Discussion

December 7, 2020

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Linda Heckenkamp, Analyst II

SUBJECT: **Draft Municipal Service Review |
 Resource Conservation Districts in San Diego County**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a draft municipal service review on resource conservation districts (RCDs). The draft has been prepared as part of the adopted workplan and represents an independent assessment of the level and range of services provided by all three RCDs operating in San Diego County – Mission, Greater San Diego, and Upper San Luis Rey. This includes preparing determinative statements addressing all of the factors required in statute as part of the municipal service review process and headlined by population estimates, infrastructure needs, and financial standing. The draft is being presented for preliminary discussion and feedback ahead of staff initiating a public review in anticipation of returning in February with final actions.

BACKGROUND

Municipal Service Review Process

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency’s sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission regarding the availability and sufficiency of governmental services relative to

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current and future community needs. Municipal service reviews statutorily inform required sphere of influence updates and may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts.

Current Workplan | Municipal Service Review on RCDs

San Diego LAFCO's current workplan was adopted at a noticed hearing in May 2020 and outlines specific project goals for the fiscal year. This includes a high-priority project for the Commission to conduct a comprehensive municipal service review on RCDs ahead of updating each affected agency's – Mission, Greater San Diego County, and Upper San Luis Rey – spheres of influence. The municipal service review represents the first municipal service review prepared on any of the three affected agencies.

DISCUSSION

This item is for San Diego LAFCO to review the draft municipal service review on RCDs prepared by staff and ahead of staff initiating a 45-day public review and comment period. Preliminary discussion and feedback by the Commission – including interests for additional analysis – will be incorporated into a final municipal service review by staff and presented for formal action at a future meeting. Associated sphere of influence updates for each affected agency will also be presented with the final municipal service review.

An Executive Summary (Chapter Two) anchors the municipal service review and outlines the key conclusions and findings generated to date. This includes addressing the mandatory factors required under statute anytime San Diego LAFCO performs a municipal service review. Examples include making independent statements on infrastructure needs and deficiencies, population estimates, financial resources, and opportunities and merits therein for reorganizations. Specific recommendations for action either by the Commission and/or by one or more of the affected agencies are also enumerated in the Executive Summary.

ANALYSIS

See Executive Summary provided as part of Attachment One.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the draft municipal service review on RCDs and provide related feedback to staff. This includes providing direction on desired revisions and/or additions ahead of staff circulating the draft for public review and comment and returning with a final version for action as early as February 2021.

ALTERNATIVES FOR ACTION

The item is being presented to San Diego LAFCO for discussion and feedback only.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion as part of the business calendar. The following procedures are recommended in the consideration of this item:

- 1) Receive verbal presentation from staff unless waived.
- 2) Initial questions or clarifications from the Commission.
- 3) Invite comments from interested audience members.
- 4) Discuss item and provide feedback as requested.

Respectfully,



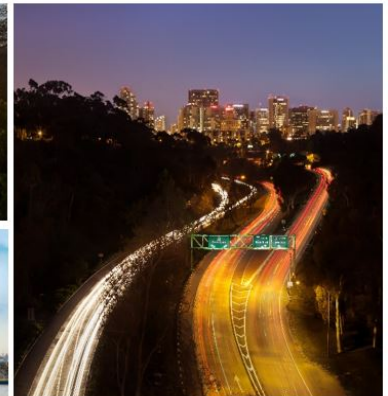
Linda Heckenkamp
Analyst II

Attachment:

- 1) Draft Municipal Service Review | RCDs in San Diego County

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SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION



RESOURCE CONSERVATION DISTRICTS

Municipal Service Review | Government Code 56430

Affected Agencies

Mission Resource Conservation District

Resource Conservation District of Greater San Diego County

Upper San Luis Rey Resource Conservation District

Draft Report | December 2020

Project Manager

Linda Heckenkamp

Local Government Analyst II

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ACKNOWLEDGEMENT

San Diego County LAFCO gratefully acknowledges the time and effort of officials with the Mission Resource Conservation District, Resource Conservation District of Greater San Diego County, and Upper San Luis Rey Resource Conservation District in assisting in the preparation of this report. This includes special consideration for Darcey Cook (Mission), Sheryl Landrum (Greater San Diego), and Amy Reeh (Upper San Luis Rey) for serving as direct contacts and generating information responses incorporated into the analysis of resource conservation district services in San Diego County.

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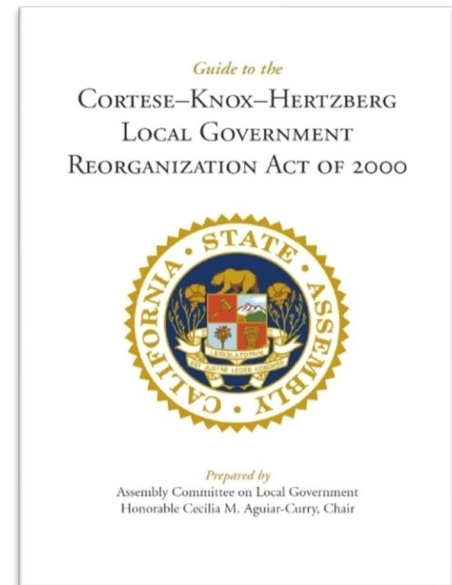
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CHAPTER ONE | INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.¹ LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are referred to as the Legislature's "watchdog" for local governance issues.²



Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities outlined under Government Code (G.C.) Section 56301. This statute reads:

“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions. One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

¹ Reference California Government Code Section 56000 et. seq.

² In its ruling on *City of Ceres v. City of Modesto*, the 5th District Court of Appeals referred to LAFCOs as the “watchdog” of the Legislature to “guard against the wasteful duplication of services.” (July 1969)

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly control land uses.

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.³ LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and special districts in California with limited exceptions.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to community needs.

³ CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions as footnoted.⁴ Further, an increasingly important role involving sphere determinations relate to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns.

Starting January 1, 2008, LAFCOs must review and update all local agencies' spheres every five years. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineates where cities, towns, or districts may seek future annexations or outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities. The five mandated planning factors are summarized in short-form below.

1. Present and planned land uses in the area, including agricultural and open-space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. If the city or special district provides water, sewer, or fire, the need for those services in any disadvantaged unincorporated communities in the existing sphere.

⁴ Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies' spheres include annexations of State correctional facilities or annexations to cities/towns involving city/town owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH’s enactment in 2001 and represent comprehensive studies of the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor’s Office of Planning and Research in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized below in short-form with additional details footnoted.⁵

Municipal service reviews fulfill the Legislature’s interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.

⁵ Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of “disadvantaged unincorporated community” is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling \$53,735 (emphasis added).

6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by policy.

1.4 LAFCO Decision-Making

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members serve four-year terms and divided between “regulars” and “alternates” and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their appointing authorities.

1.5 Prescriptive Funding

CKH prescribes local agencies fully fund LAFCOs' annual operating costs. Counties are generally responsible for funding one-third of LAFCO's annual operating costs with remainder one-third portions allocated to the cities/towns and independent special districts. The allocations to cities/towns and special districts are calculated based on standard formula using general tax revenues unless an alternative method has been approved by a majority of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

The majority of San Diego LAFCO's ("Commission") existing policies and procedures were initially established in the 1970s and subsequently updated in the 2000s in step with the enactment of CKH. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with sufficient discretion to address local conditions and circumstances. This includes overarching policies and procedures to align present and planned urban uses with existing cities and special districts and discourage proposals that would convert prime agricultural and open-space lands unless otherwise orderly relative to community needs and or sufficiently mitigated. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals.

2.2 Commission Information

San Diego LAFCO holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 9:00 A.M. Agenda materials are posted online generally no less than one week in advance of a regular meeting. The current Commissioner roster follows.

San Diego LAFCO Membership		
Current as of December 1, 2020		
Commissioner	Appointing Authority	Affiliation
Chair Dianne Jacob	Board of Supervisors	County of San Diego
Vice Chair Andy Vanderlaan	Commission	Representative of the Public
Jim Desmond	Board of Supervisors	County of San Diego
Mark Kersey	City of San Diego Council	City of San Diego
Jo MacKenzie	Independent Special Districts	Vista Irrigation District
Mary Casillas Salas	Cities Selection Committee	City of Chula Vista
Bill Wells	Cities Selection Committee	City of El Cajon
Baron "Barry" Willis	Independent Special Districts	Alpine Fire Protection District
Chris Cate, Alternate	City of San Diego Council	City of San Diego
Greg Cox, Alternate	Board of Supervisors	County of San Diego
Erin Lump, Alternate	Independent Special Districts	Rincon del Diablo Municipal Water District
Harry Mathis, Alternate	Commission	Representative of the Public
Paul McNamara, Alternate	Cities Selection Committee	City of Escondido

Immediate Past Members in 2019:

Catherine Blakespear, Cities Selection Committee, City of Encinitas

Ed Sprague, Independent Special Districts, Olivenhain Municipal Water District

Serge Dedina, Cities Selection Committee, City of Imperial Beach (alt)

Judy Hanson, Independent Special Districts, Leucadia Wastewater District (alt)

2.3 Contact Information

San Diego LAFCO's administrative office is located within the County of San Diego's Operations Center at 9335 Hazard Way in San Diego (Kearny Mesa). Visitor parking is available. Appointments to discuss proposals or other matters are encouraged and can be scheduled by calling 858.614.7755. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO's programs and activities is also online by visiting www.sdlafco.org.

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CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO’s scheduled municipal service review on resource conservation districts (RCDs) in San Diego County. The report has been prepared by staff and consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of the level and range of services provided by the three authorized public agencies under LAFCO oversight operating in San Diego County – Mission RCD, RCD of Greater San Diego County, and Upper San Luis Rey RCD. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The purpose of the report is to produce an independent “snapshot” of the level and range of services provided by all three RCDs operating in San Diego County – Mission, Greater San Diego County, and Upper San Luis Rey – relative to informing future LAFCO decision-making.

1.1 Key Premises, Assumptions, and Benchmarks

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

Looking Back | Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission’s analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2015 to 2019 with limited exceptions. This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e. data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward | Setting the Report's Timeframe

The timeframe for the report has been oriented to cover the next five-year period through 2024 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews under G.C. Section 56430 and expected therein to inform all related sphere of influence and boundary actions undertaken during this period involving any of the affected agencies unless otherwise merited.

Calculating Population Estimates and Projections

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

Emphasis on Qualifying Service Levels

The report emphasizes qualifying RCD service levels and marked by describing active functions and central characteristics. This approach deviates from standard municipal service review practice and reflects the unique role of RCDs in providing services that are increasingly focused on education and information as opposed to transactional – such as water, wastewater, and fire protection – where quantification is more readily available.

Benchmarking Fiscal Standing: Focus on Averages and Trends

Several diagnostic tools are used to assess and make related determinations on the RCDs' financial standing based on a review of available audited information during the report period, fiscal years 2015 to 2019. This includes an emphasis on analyzing days' cash, debt-to-net assets, and total margin with deference on overall averages and trends. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin while controlling against one-year outliers.

Focusing on Macro-Level Determinations

The report focuses on the RCDs' program-level activities during the five-year report period and broader and cumulative policy considerations. This approach informs macro-level

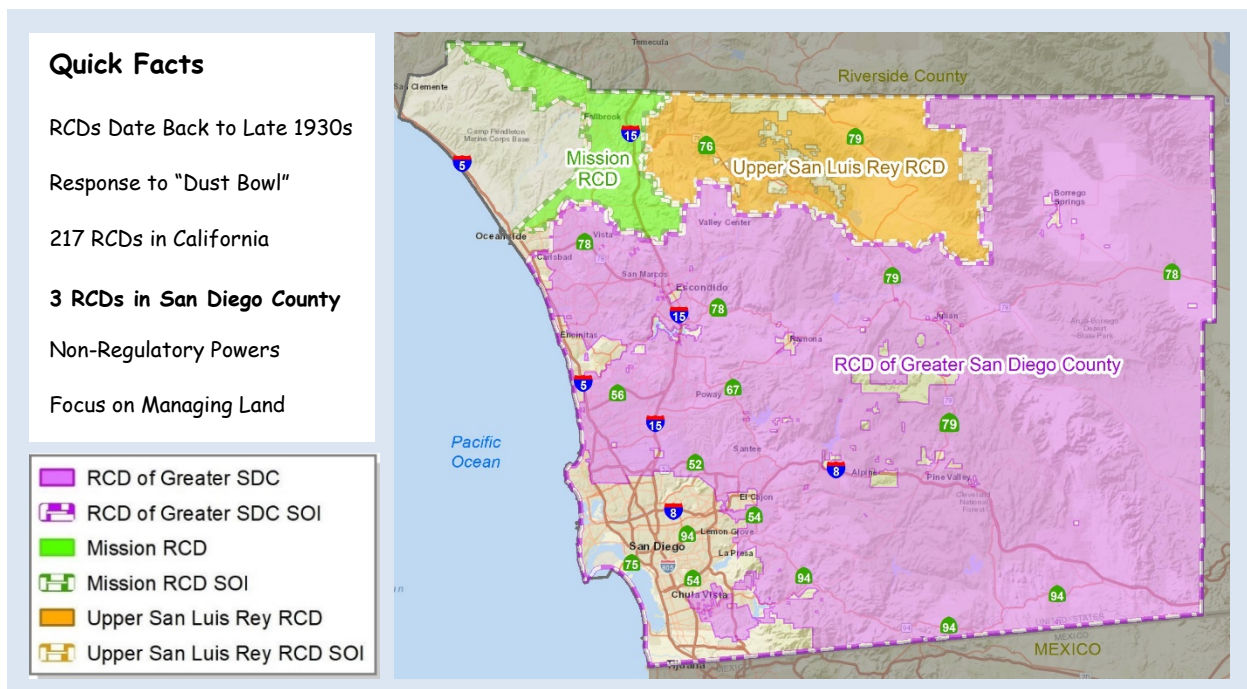
determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis – including transition to more quantitative analysis –as part of addendums or future municipal service reviews.

2.0 STUDY ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.⁶ This includes addressing the mandatory factors required for consideration by the Legislature anytime San Diego LAFCO performs a municipal service review. The Executive Summary is preceded by individual agency profiles (Chapter Three) of all three active RCDs operating in San Diego County. The profiles transition between general descriptions of the background and development of these agencies’ service areas to addressing specific agency service functions.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review includes all of San Diego County and covers 4,027 square miles or 2.58 million acres. This designation captures all three RCDs’ – Mission, Greater San Diego County, and Upper San Luis Rey – jurisdictional boundaries and spheres of influence and illustrated below.



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

4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

RCDs – originally known as Soil Conservation Districts – first emerged in California in the late 1930s and memorialized the State Legislature’s interest to empower local landowners to proactively remedy soil erosion by water, wind, and other sources. RCDs’ enabling legislation followed the Federal government’s lead and the Soil Conservation Act of 1935, which responded to the “Dust Bowl” and created the Natural Resources Conservation Services to partner with states and local agencies to protect against soil erosion and loss of farmland. California’s legislation, notably, initially focused RCDs in creating a local property tax base to supplement work by the Natural Resources Conservation Services through community engagement and technical expertise.⁷ Subsequent legislation through the early 1970s reoriented RCDs as stand-alone agencies with an expanded focus to also include wildlife.

An initial round of RCD formations in San Diego County started in the early 1940s with additional formations continuing through the 1960s. At the height, there were 15 RCDs operating throughout San Diego County. New restrictions in raising tax revenues tied to Proposition 13 coupled with land use changes beginning in the 1970s led to a course reverse and a trend in consolidations through the 1990s as smaller RCDs (Borrego, Julian, Lakeside, Penasquitos, Valley Center, etc.) folded into larger RCDs with greater economies of scale.⁸ Changes in land uses, pertinently, involved a significant expansion of urban development in step with San Diego County’s population more than doubling between 1970 and 2000 from 1.357 million to 2.815 million; a difference translating to the average net addition of 135 new residents in San Diego County each day over a 30-year period.⁹ The substantive result was the methodical drawn-down in RCDs to the remaining three in operation today along with the realignment of service activities to be largely guided by available grant funding.

A review of the three RCDs operating in San Diego County relative to San Diego LAFCO’s growth management tasks and interests as prescribed under statute produces eight central themes or conclusions. These conclusions are in linear order and collectively address the availability, demand, and performance of RCD services as well as challenges and opportunities proceeding forward. The conclusions are independently drawn and sourced to information collected and analyzed between 2015 and 2019 and detailed in the agency profiles.

⁷ The first field office in San Diego County for the Natural Resource Conservation Services was established in 1941 in Escondido.

⁸ Proposition 13 was approved by voters in June 1978 and capped property tax rates at 1% at the time of acquisition. This provision created a property tax ceiling and replaced the prior ability of counties, cities, and special district to set their own tax rate and irrespective of cumulative impacts on property owners. Proposition 13 also requires two-thirds approval from voters for local government to establish special taxes/assessments.

⁹ For comparison, San Diego County’s overall population increased from 2.815 million in 2000 to 3.345 million in 2020 and translates an average day addition of 73 residents over the 20-year period.

- **No. 1 | Introductory Municipal Service Review**

This report marks San Diego LAFCO's first municipal service review on RCDs in San Diego County and in doing so serves as a substantive new introduction of the Commission to all three affected agencies. Marking this introduction is addressing relatively new LAFCO statutes and responsibilities to the affected agencies in real-time while proceeding with an otherwise unfamiliar and relatively detailed service review process. Similarly, this introduction for the Commission reorients this municipal service review to focus on establishing baseline information for all three affected agencies with the intention of expanding the analysis – and specifically providing more quantitative measurements – in future municipal service reviews.

- **No. 2 | And Then There Were Three**

Over the last 40 years the number of RCDs in San Diego County has been gradually decreased from 15 to the three – Mission, Greater San Diego County, and Upper San Luis Rey – that remain today. This draw-down reflects a statewide trend and follows multiple consolidations where smaller RCDs have voluntarily folded into larger RCDs. The underlying attributes to the draw-down involve restrictions in generating new tax revenues paired with changes in land uses and expansion of the urban footprint.

- **No. 3 | Outdated Principal Act**

RCDs' principal act has remained largely unchanged since the 1970s and has become increasingly antiquated in aligning service powers with current resource conservation practices and needs. The principal act – relatedly and pertinently – has also fallen out of step with LAFCOs' oversight role of RCDs and highlighted by creating ambiguity in the Commission's task in statute to establish and regulate functions and classes of services. The cumulative effect of the principal act's antiquation are higher levels of local discretion needing to be exercised by the affected agencies as well as the Commission that may or may not sync with legislative expectations.

- **No. 4 | Influence of Grant Funding**

RCDs represent a unique outlier among special districts given their funding status and dependency on outside grants fall outside the traditional criteria of operating either as an enterprise (direct fees for services) or non-enterprise (tax supported) agency. Alternatively, and as illustrated locally, the three RCDs in San Diego County operate more similarly to non-profit organizations with grants more so than other factors guiding decision-making in delivering municipal services. This dynamic also further illuminates the antiquation of the RCD principal act given the nature of grant funding to address current interests and needs and increasingly prompts the affected agencies

– and more specifically Mission RCD and RCD of Greater San Diego County – to take on service programs beyond the clear and/or explicit provision in statute.

- **No. 5 | RCD Services Need to Reflect Boundaries**

Two of the three affected agencies – Mission RCD and RCD of Greater San Diego County – have invested significant resources in providing services outside their jurisdictional boundaries without having received approval from San Diego LAFCO as required under statute. These irregular service activities – while premised on good intentions – diminish the function and role of jurisdictional boundaries and have contributed to conflict among the agencies. These conditions require correction and may lead to substantive changes in these agency operations and/or fiscal standing.

- **No. 6 | Expanded – and Expanding – Role for RCDs**

The three affected agencies' formations date to a period where constituency needs were focused on receiving water and soil expertise to protect and enhance farmland with the related assumption these interests were limited to unincorporated lands. Subsequent demographic and societal changes have measurably expanded these roles to be more holistic and now connect to wildlife habit, wildfire prevention, and climate change through technical, education, and advocacy services. These benefits, pertinently, also extend into the incorporated communities and merit expansion of RCD boundaries into adjacent cities lying in shared watersheds where appropriate.

- **No. 7 | Recent Downward Fiscal Trends for Two RCDs**

Two of the three affected agencies – Mission RCD and RCD of Greater San Diego RCD – finished the five-year report period trending negatively in standard measurements used by San Diego LAFCO in the municipal service review process. Both agencies finished with overall negative total margins over the 60-month period paired with double-digit percentage decreases in liquidity levels. These changes were most impactful Mission RCD as it finished the report period with only one month of unassigned monies in its General Fund to meet average operating costs.

- **No. 8 | Purposeful LAFCO Pause**

The introductory role of this municipal service review coupled with other noted factors – including the more immediate need to sync services and boundaries – suggest a purposeful pause is merited before proceeding with next level analyses. Most notably, this includes deferring the Commission's evaluation of shared resource opportunities, such as functional and/or political consolidations, to the next municipal service review cycle.

4.2 Recommendations

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

1. San Diego LAFCO affirms resource conservation functions are explicit municipal services under CKH and support – both through direct and indirect means – orderly growth and development in San Diego County. LAFCO should accordingly incorporate regular reviews of RCD functions as part of future municipal service review cycles.
2. San Diego LAFCO should collaborate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency and incorporate the information into the next scheduled municipal service review.
3. San Diego LAFCO should coordinate with all three affected agencies in developing performance measurements to help quantify capacity-demand relationships in each jurisdiction to appropriately inform future studies and/or reorganizations.
4. San Diego LAFCO should work with stakeholders and local legislators to propose a comprehensive rewrite of the RCD principal act and – among other virtues – clarify service function powers relative to current and anticipated community needs.
5. Irrespective of other efforts, San Diego LAFCO should proceed and address RCDs in the scheduled update to Rule No. 4 and the associated statutory directive for the Commission to formalize and regulate special districts’ functions and classes.
6. All three affected agencies should voluntarily proceed in taking necessary corrective measures to ensure regulatory compliance with San Diego LAFCO and statutory emphasis therein to align municipal services with jurisdictional boundaries.
7. All three affected agencies are reminded to request and receive written approval or confirmation of exemption before entering contracts or agreements to provide municipal services outside their jurisdictional boundaries per G.C. Section 56133. None of the affected agencies are authorized to self-exempt under this statute.

8. San Diego LAFCO recently issued a cease and desist order to Mission RCD to terminate unauthorized out-of-agency services provided within the boundary and sphere of influence of RCD of Greater San Diego. It is unclear whether Mission RCD has complied with this order and accordingly additional action by LAFCO may be appropriate.
9. Upper San Luis Rey RCD should review the prescriptive requirements recently enacted (Assembly Bill 2257 and Senate Bill 929) and make conforming changes to their website and improve communication with constituents. Most urgently, this includes posting agendas and minutes online and in a timely manner as required under the Brown Act.
10. The County of San Diego should consider expanding their permit process to include erosion and sediment control plan reviews by applicable RCDs to enhance coordination among government agencies for the benefit of shared constituencies.
11. All three affected agencies can enhance their accountability to the public by providing video-recordings of board meetings online in step with their increasingly emphasized roles to educate and disseminate information on resource conservation best practices.
12. San Diego LAFCO should expand on the baseline information collected in this introductory municipal service review and provide a more quantified assessment of the three affected agencies services and related trends. The subsequent review should also – markedly – dutifully explore reorganization options, including functional and/or political consolidation opportunities
13. San Diego LAFCO should proceed and update all three affected agencies' spheres with no changes and in doing so satisfy its planning requirement under G.C. Section 56425.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this report. The underlying intent of the determinations are to provide a succinct detailing of all pertinent issues relating to the funding, administration, and delivery of public services provided by the three affected RCDs specific to the Commission's growth management role and responsibilities. An abbreviated version of these determinations will be separately prepared for Commission consideration and adoption in conjunction with receiving the final report at a noticed hearing.

These determinations detail the pertinent issues relating to the funding, administration, and delivery of the three RCDs' public services based on data collected and analyzed between 2015 and 2019.

5.1 Growth and Population Projections

1. San Diego LAFCO independently estimates there are collectively 1,580,806 total fulltime residents within the three affected agencies' jurisdictional boundaries as of the end of the five-year report period. This amount translates to nearly one out of every two residents in San Diego County reside within an RCD.
2. There is no overlap in residential populations among the three affected agencies with individual agency estimates at the end of the report period as follows:
 - (a) 123,611 residents in Mission RCD.
 - (b) 1,445,460 residents in RCD of Greater San Diego.
 - (c) 11,735 residents in Upper San Luis Rey RCD.
3. San Diego LAFCO estimates the combined annual rate of new fulltime population growth among the three affected agencies region during the five-year report period has been 0.98% and has netted 67,975 new residents. This growth rate is one-fifth higher than the corresponding change for all of San Diego County.
4. The annual population growth rates among the three affected agencies during the five-year report period have varied with individual agency estimates as follows:

- (a) 0.9% annual growth rate in Mission RCD.
 - (b) 1.0% annual growth rate in RCD of Greater San Diego.
 - (c) 0.8% annual growth rate in Upper San Luis Rey RCD.
5. The affected agencies' jurisdictional boundaries are relatively rural with an overall average of 1.0 resident for every 1.4 acres. This ratio – however – is contracting and decreased by one-tenth over the five-year report period from 1.0 resident for every 1.5 acres and reflects the changing and increasing development of the region.
6. San Diego LAFCO projects the current population growth rate within the three affected agencies will generally hold over the report timeframe. Should the projection hold, there will be a net increase within the affected agencies of 1.58 million to 1.65 million by 2024 and divided between the following individual agency changes:
 - a) 4,938 new residents in Mission RCD with the overall total increasing to 128,549 by 2024.
 - b) 59,574 new residents in RCD of Greater San Diego County with the overall total increasing to 1,505,034 by 2024.
 - c) 469 new residents in Upper San Luis Rey RCD with the overall total increasing to 12,204 by 2024.
7. San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency and incorporate the information into the next scheduled municipal service review.
8. A review of demographics reveals one notable distinction among the three affected agencies during the five-year report period. This distinction involves median household income being substantially higher in Mission RCD at \$75,375 compared to RCD of Greater San Diego County and Upper San Luis Rey RCD at \$59,041 and \$48,882, respectively. All other demographics – i.e. median age, education attainment unemployment, etc. – are more or less consistent within the three agencies.

5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities.

1. All three affected agencies' jurisdictional boundaries include lands qualifying as disadvantaged unincorporated communities or DUCs under San Diego LAFCO policy. The highest ratio lies within RCD of Greater San Diego County with close to three-fifths of its jurisdictional boundary qualifying as DUCs.
2. Only Mission RCD's sphere of influence is adjacent to lands qualifying as DUCs under San Diego LAFCO policy that is not already in another RCD. The affected DUC adjacent to Mission RCD's sphere comprises Marine Corps Base Camp Pendleton.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. None of the affected agencies own or maintain substantial capital infrastructure, facilities, or equipment. The agencies instead rely largely on human resources to provide technical assistance and educational services to constituents.
2. All three affected agencies have experienced sizeable increases and/or changes in municipal service demands over the five-year report period and commonly highlighted by each agency expanding activities under their wildlife enhancement function.
3. The increasing focus on activities tied to the affected agencies' wildlife enhancement function parallels societal and political interests to broaden RCD work and expand beyond traditional water conservation and soil erosion/stabilization tasks. It also – pertinently – reflects the related influence of grants on RCD decision-making.
4. The level of information available to San Diego LAFCO at this time is limited to generating a qualified determination the three affected agencies have adequate capacities – and specifically in the form of personnel – to meet existing constituent demands.
5. Additional information and analysis by San Diego LAFCO is needed to further quantify the adequacy of the three affected agencies' capacities – infrastructure, facilities, personnel and the like – to meet current and near-term constituent demands.
6. San Diego LAFCO should proceed and expand on the baseline information collected in this introductory municipal service review and provide a more quantified assessment of the three affected agencies services and related trends.

7. As part of a future municipal service review, San Diego LAFCO should coordinate and solicit input with all three affected agencies in developing performance measurements to help quantify capacity-demand relationships in each jurisdiction.
8. With respect to Mission RCD, it currently provides four service functions under the principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These functions are primarily supported by District staff and totaled 5.0 fulltime equivalent personnel at the end of the report period.
9. With respect to RCD of Greater San Diego County, it currently provides four service functions under the principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These functions are primarily supported by District staff and totaled 18.0 equivalent personnel at the end of the report period.
10. With respect to Upper San Luis Rey RCD, it currently provides two service functions under the principal act: water conservation and wildlife enhancement. These functions are provided by contract through a part-time equivalent staffing of 0.25.

5.4 Agencies' Financial Ability to Provide Services

1. The three affected agencies operate with significantly different financial resources in providing municipal services to their constituents and as such ended the report period in dissimilar financial standings.
2. All three affected agencies are primarily reliant on external revenues sources in the form of grants and other subventions that are increasingly competitive within the region among like-minded agencies and non-profit organizations.
3. The ability of the three affected agencies to fund their municipal service functions through new assessments and taxes appears constrained given current constituent reluctance as evident by the recent trend of failed measures by local special districts.
4. The combined net position of the three affected agencies decreased by (9.4%) from \$3.39 million to \$3.10 million during the five-year report period.
5. With respect to Mission RCD, its net position has decreased during the five-year report period with an overall change of (22.8%) from \$0.513 million to \$0.396 million and produces a net loss of \$0.117 million. Additional details follow.

- (a) The unrestricted portion of Mission RCD's net position decreased by (47.9%) over the five-year report period finishing with a balance of \$0.128 million and equal to cover one month of typical operating expenses.
 - (b) Mission RCD's liquidity levels are very low and decreasing. The amount of immediate cash available to the District decreased by (25%) during the five-year report period and equivalent to cover 26 days.
 - (c) Mission RCD's capital levels are low and decreasing. The debt-to-net assets ratio increased by close to one-half during the five-year report to 54.1% with the ending tally reflecting the portion of the net position tied to long-term debt.
 - (d) Mission RCD's recent margin levels are very low and decreasing. The average total margin during the five-year report period tallied (1.1%).
6. With respect to RCD of Greater San Diego County, its net position has decreased during the five-year report period with an overall change of (8.5%) from \$2.6 million to \$2.4 million and produces a net loss of \$0.218 million. Additional details follow.
 - (a) The unrestricted portion of RCD of Greater San Diego County's net position decreased by (69.6%) over the five-year report period ending with a balance of \$0.474 million and equal to cover nine months of typical operating expenses.
 - (b) RCD of Greater San Diego County's liquidity levels are moderately low and decreasing. The amount of immediate cash available to the District decreased by (61%) during the five-year report period and equivalent to cover 330 days.
 - (c) RCD of Greater San Diego County's capital levels are high despite recent decreases. The debt-to-net asset ratio finished the five-year report period at 1.6% and reflects the bulk of the net position is free from long-term debt.
 - (d) RCD of Greater San Diego County's recent margin levels are very low and decreasing. The District experienced losses in four of the five years of the report period with an average total margin of (3.1%).
7. With respect to Upper San Luis Rey RCD, its net position has increased during the five-year report period with an overall change of 17.2% from \$0.295 million to \$0.346 million and produces a net gain of \$0.051 million. Additional details follow.

- (a) The unrestricted portion of Upper San Luis Rey RCD's net position increased by 38.5% over the five-year report period ending with a balance of \$0.179 million and equal to cover 124 months of typical operating expenses.
- (b) Upper San Luis Rey's liquidity levels are exceedingly high and increasing. The amount of immediate cash available to the District increased by 47% during the five-year report period and equivalent to cover 7,475 days – or 20 years.
- (c) Upper San Luis Rey's capital levels remain unblemished with a debt-to-net asset ratio at 0% and shows the District's net position is free of long-term financing.
- (d) Upper San Luis Rey's recent margin levels are high and increasing. The District experienced gains in all five years of the report period with an average total margin of 35.8%.

5.5 Status and Opportunities for Shared Facilities and Resources

1. All three affected agencies have established responsive shared resources with other public agencies as well as non-profit organizations in fulfilling their responsibilities to provide specified municipal functions to their respective constituents.
2. All three affected agencies' activities are primarily funded by grants and leverage the agencies' respective expertise in achieving broader policy objectives set by the grantor, typically the State or other regional agency.
3. Mission RCD and RCD of Greater San Diego County dedicate considerable resources in community outreach and education to empower and inspire best practices among constituents with respect to managing natural resources.
4. The technical expertise of all three affected agencies could be further utilized by the County of San Diego and integrated into the permit process involving erosion and sediment control plans for the benefit of shared constituents.
5. Opportunities to share and/or consolidate resources all three affected agencies merit continued attention. Exploring these opportunities is consistent with San Diego LAFCO's standing policy objective to facilitate the logical order and its role to promote efficient services.

5.6 Local Accountability and Government Restructure Options

1. All three affected agencies provide value in providing natural resource conservation functions and advantageously contribute to their communities' distinct character.
2. Mission RCD and RCD of Greater San Diego County regularly hold noticed regular meetings and actively maintain websites and in doing so provide meaningful opportunities for timely public engagement with both board and staff.
3. Opportunities for the public to meaningful engage the Upper San Luis Rey RCD and specifically the Board is deficit given the lack of holding regular meetings and limited agenda postings coupled with operating an otherwise barren website.
4. All three affected agencies can enhance their accountability to the public by providing video-recordings of board meetings online in step with their increasingly emphasized roles to educate and disseminate information on resource conservation best practices.
5. All three affected agencies operate under a principal act that has become increasingly antiquated in aligning service powers with current resource conservation practices and interests San Diego LAFCO should work with local legislators to propose a comprehensive rewrite of the RCD principal act and – among other virtues – clarify service function powers relative to current and anticipated community needs.
6. Both Mission RCD and RCD of Greater San Diego County have invested considerable resources in providing services outside their jurisdictional boundaries without receiving approval or exemption from San Diego LAFCO under G.C. Section 56133. It appears most of these non-complaint service activities can be attributed to oversight and unfamiliarity with the statute requirements but nonetheless require correction.
7. All three affected agencies should voluntarily proceed in taking necessary corrective measures to ensure regulatory compliance with San Diego LAFCO and statutory emphasis therein to align municipal services with jurisdictional boundaries.
8. San Diego LAFCO recently issued a cease and desist order to Mission RCD to terminate unauthorized out-of-agency services provided within the boundary and sphere of influence of RCD of Greater San Diego. It is unclear whether Mission RCD has complied with this order and accordingly additional action by LAFCO may be appropriate.

9. The introductory role of this municipal service review coupled with the immediate need to sync services and boundaries suggest a purposeful pause is merited for proceeding with next level analyses. This includes deferring San Diego LAFCO's evaluation of shared resource opportunities, such as functional and/or political considerations, to the next municipal service review cycle.

10. Proceeding with sphere of influence updates with no changes for all three affected agencies is merited at this time.

CHAPTER THREE | AGENCY PROFILE

A. MISSION RESOURCE CONSERVATION DISTRICT

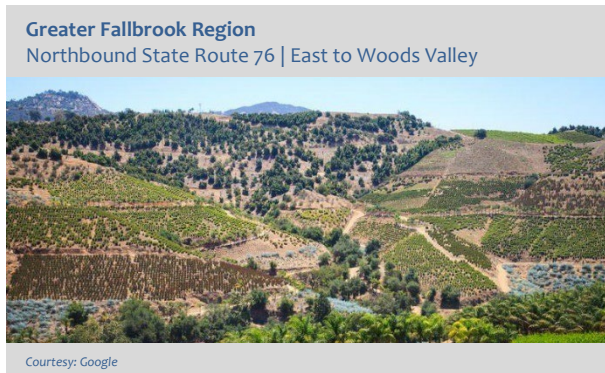
1.0 OVERVIEW

The Mission Resource Conservation District (RCD) is an independent special district formed in 1944 originally as the Middle San Luis Rey Soil Conservation District. Formation proceedings were initiated by area farmers and ranchers for the broad purposes of creating a local government unit to assist landowners in implementing soil, water, and other natural resource conservation practices.

Mission RCD encompasses a 185-square mile jurisdictional boundary and includes all and/or portions of several unincorporated communities in northern San Diego County and marked by Bonsall, Fallbrook, and Rainbow. The jurisdictional boundary also extends into a portion of the City of Oceanside along State Route 76. Governance is provided by a five-person board with members directly elected by geographic divisions and serve staggered four-year terms. The average tenure on the Board among the current members is six years with their longest tenured member – Scott Murray – completing his 19th year.

Mission RCD is presently organized as a multi-purpose agency with municipal functions presently tied to four active categories under its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. Mission RCD is also authorized – subject to LAFCO approving latent power expansions – to provide agricultural enhancement and erosion stabilization. The operating budget at the term of the report period (2018-2019) was \$1.75 million with 5.0 fulltime equivalent employees. The last audited financial statements cover 2018-2019 and show Mission RCD’s net position totaling \$0.396 million with the unrestricted portion tallying \$0.128 million. This latter amount translates to covering less than one month of operating expenses based on recent actuals.

LAFCO independently estimates the fulltime resident population within Mission RCD is 123,611 as of the term of this report period and accommodated through the overall construction of 43,605 housing units within the District. It is also projected the estimate of fulltime residents represents an overall increase of 8.0% since 2010 – or 888 annually – with a resulting annual growth rate of 0.9%, which is slightly above the corresponding countywide rate of 0.8%. The

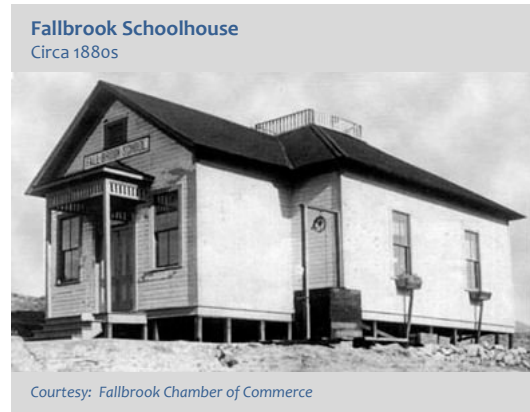


median household income within Mission RCD is \$75,375 based on the current five-year period average and exceeds the countywide average of \$66,529 by more than one-eighth.

2.0 BACKGROUND

2.1 Community Development

Mission RCD's service area is anchored by the unincorporated community of Fallbrook as the commercial and social center for the surrounding region, which includes – and among others – Bonsall and Rainbow. Fallbrook began its present-day development during the mid-1800s in parallel with the creation and awards of land grants or ranchos throughout California by the Mexican government. Most of Fallbrook was borne out of the Rancho Monserate grant that was issued to Ysidro Alvarado in the 1870s and led to subsequent homesteading in the area with an early focus on ranching. One of these homesteaders was Canadian immigrant Vital Reche who settled with his family just north of Alvarado's original ranch at the site now known as Live Oak Park and later credited with naming the community "Fallbrook" after their former home in Pennsylvania.



The first official census performed for Fallbrook estimated the area's population at 415 in 1890. The population increased by over one-half during the next 10 years to an estimated 656 in the 1900 census and aided by the completion of railroad line (California Pacific Railroad) connecting National City to San Bernardino with a station in Fallbrook. The railroad allowed area ranchers and farmers to begin expanding operations and cumulatively contributed to the approval of the area's first planned subdivision (West Fallbrook) along with several local serving uses in the forms of schools, churches, and basic service and supply stores. Also aiding the development of the area at the turn of the century was the formation of one of the first special districts in San Diego County – Fallbrook Irrigation District (1891) and its successor Fallbrook Public Utility District (1922) – and establishment of a community water system drawing initially from underflow from the Santa Margarita River.



The Fallbrook region's growth continued into the new century and premised on the expansion of agricultural activities with an early focus on olives, nuts, and citrus orchards before transitioning towards avocados and floral nurseries. Residential growth also continued in response to supporting the region's agricultural industries and Fallbrook's population reached an estimated 2,308 by 1940. It was also at this time surrounding areas in the region began to take form led by expanding agricultural interests in the nearby communities of Bonsall, Rainbow, and Valley Center.

Fallbrook – Main Street
Circa 1949



Courtesy: San Diego History Center (pending)

2.2 Formation Proceedings

The Middle San Luis Rey Soil Conservation District's (later renamed Mission RCD) formation was petitioned by landowners in early 1944 and actively supported by the Fallbrook Chamber of Commerce as well as other local business associations. The petition paralleled a statewide movement to establish local agencies to further advance soil conservation services administered by the United States Department of Agriculture and through its own Natural Resources Conservation Service offices. Formation proceedings were overseen by the County of San Diego's Boundary Commission – a precursor to the creation of LAFCOs – and approved subject to voter confirmation. An election was subsequently held in September 1944 with landowners approving the formation along with electing an initial board.

2.3 Post Formation Activities

A summary of notable activities undertaken by Mission RCD and/or affecting the District's service area following formation in 1944 is provided below.

- The Middle San Luis Rey Soil Conservation District is renamed Mission RCD in 1971 and done so according to the District to reflect a broader emphasis on the conservation of soil, water, and other natural resources.
- LAFCO establishes Mission RCD's sphere of influence in June 1986. The sphere is set conterminously with the jurisdictional boundary.
- LAFCO updates and affirms Mission RCD's sphere of influence in November 2005 with no changes.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

Mission RCD’s existing boundary spans approximately 185.2 square miles and covers 118,528 acres (parcels and public rights-of-ways). The County of San Diego is the predominant land use authority for Mission RCD and overlaps 90% of the jurisdictional boundary with most of the lands included in the Fallbrook, Rainbow, Bonsall, and Pendleton-Deluz Community Plans. These unincorporated lands, notably, generally encompass commercial agricultural and low-to-moderate single-family residential uses with local supporting retail uses focused in the Fallbrook community. The remaining portion of the jurisdictional boundary is incorporated and lies in the City of Oceanside. Overall, there are currently 69,139 registered voters within Mission RCD within nearly one-half in Oceanside.

Mission RCD’s jurisdictional boundary spans 185.2 square miles and covers 4.3% of all of San Diego County. Almost all of the jurisdictional boundary is unincorporated and overlaps the land use authority of the County of San Diego with the exception of 18.0 square miles within the City of Oceanside. Nonetheless, close to one-half of all District registered voters reside in Oceanside.

Mission RCD Boundary Breakdown by Land Use Authority					
Table 3.1a (Source: Esri and San Diego LAFCO)					
Land Use Authority	Total Assessor Parcel Acres	% of Total Assessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters	
County of San Diego	107,056	90%	52,436	36,049	
City of Oceanside	11,505	10%	19,627	33,049	
TOTAL	118,561	100%	72,063	69,139	

Total assessed value (land and structure) within Mission RCD is set at \$17.3 billion as of January 2019 and translates to a per acre value ratio of \$1.46 million. The former amount – \$17.3 billion – further represents a per capita value of \$0.014 million based on the estimated fulltime population in Mission RCD of 123,611. Mission RCD receives 0.0000061% of the annual 1.0% of property tax collected in the District.

Mission RCD receives \$0.00000610 cents for every \$1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from Mission RCD at the end of the fiscal year was \$0.034 million.

The jurisdictional boundary is currently divided into 72,063 parcels spanning 113,685 acres. (The remaining jurisdictional acreage consists of public right-of-ways or waterways.) Over nine-tenths of the parcel acreage in Mission RCD is under private ownership with the majority of this amount (i.e. private property) having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage in Mission RCD’s

There are 6,912 privately owned parcels within Mission RCD that remain undeveloped and span 37,119 acres; an amount that represents close to one-tenth of the entire District.

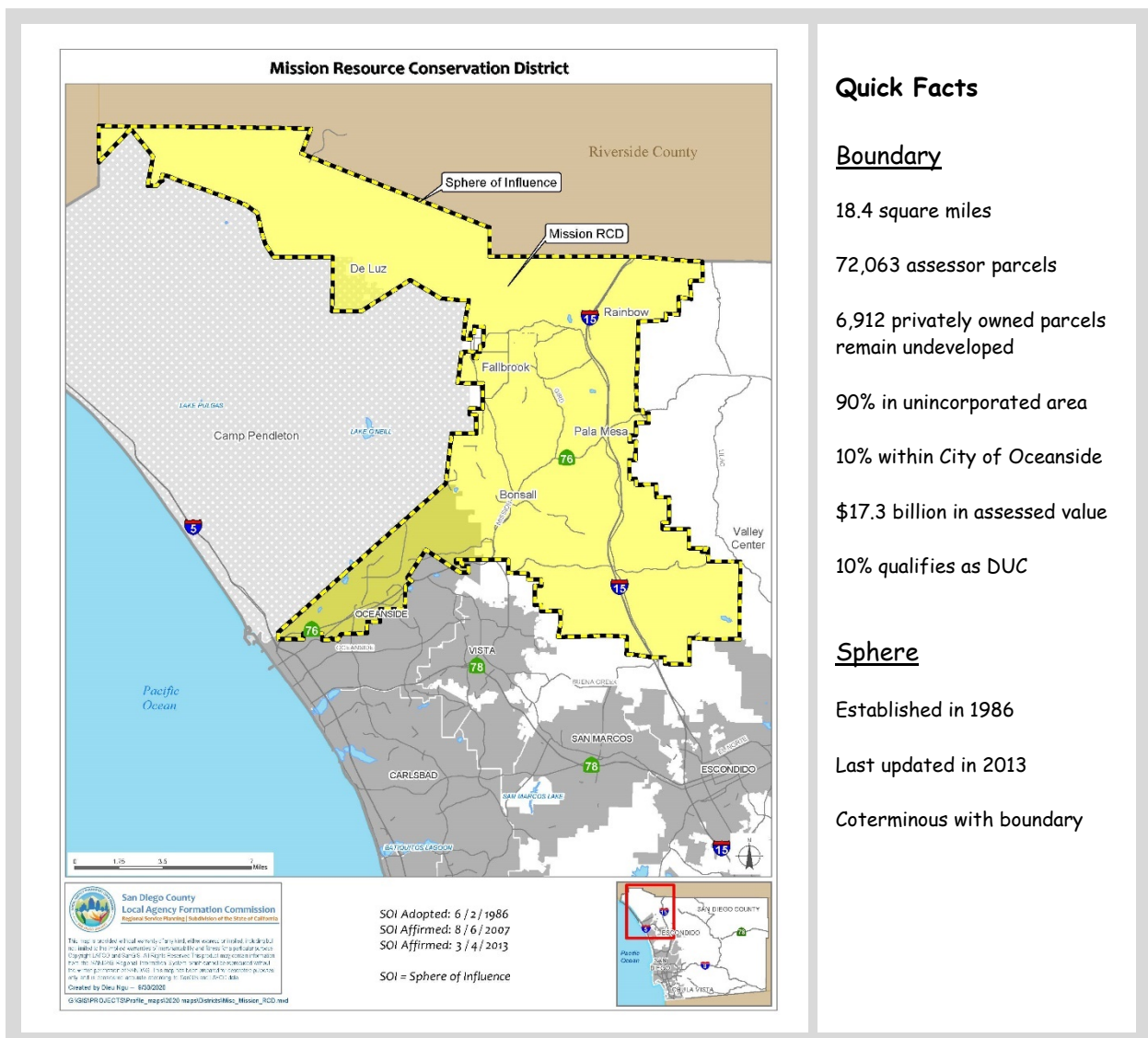
boundary is undeveloped and consists of 6,912 vacant parcels that collectively total 37,119 acres. Approximately one-tenth – or 8,609 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

3.2 Sphere of Influence

Mission RCD’s sphere of influence was established by LAFCO in June 1986 and last reviewed and affirmed in March 2013. The sphere does not include any non-jurisdictional lands and is entirely coterminous with the District boundary. There are also no special study areas assigned to Mission RCD’s sphere.

Mission RCD’s sphere of influence is entirely coterminous with its jurisdictional boundary and reflects a standing Commission policy expectation that no changes are anticipated in the near future.

3.3 Current Boundary and Sphere Map



Quick Facts

Boundary

- 18.4 square miles
- 72,063 assessor parcels
- 6,912 privately owned parcels remain undeveloped
- 90% in unincorporated area
- 10% within City of Oceanside
- \$17.3 billion in assessed value
- 10% qualifies as DUC

Sphere

- Established in 1986
- Last updated in 2013
- Coterminous with boundary

4.0 DEMOGRAPHICS

4.1 Population and Housing

Mission RCD’s total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 123,611 as of the term of the five-year report period. This amount represents 3.7% of the countywide total. It is also estimated the fulltime population has risen overall by 8.0% from 113,844 in 2010 and the last census reset in 2010. This translates to an annual change of 0.89% and above the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue intact into the near-term and result in the fulltime population reaching 128,549 by 2024. The jurisdiction has a current population density of 1 resident for every 0.88 acres and underlies the overall rural – albeit slowly changing and intensifying – character of the service area.

It is estimated there are 123,611 fulltime residents within Mission RCD at the end of the report period. It is also projected the fulltime population will increase consistent with recent trends – or 0.89% annually – and reach 128,549 by 2024.

Mission RCD

Resident Population

Table 4.1a (Source: Esri and San Diego LAFCO)

Factor	2010	2019	2024 (projected)	Annual Change %
Mission RCD	113,844	123,611	128,549	0.89%
San Diego County	3,095,264	3,344,136	3,499,829	0.81%

There are 43,605 residential housing units within Mission RCD as of the report period term. The majority of these units are in the Fallbrook and Rainbow communities with the overall amount increasing by 2,371 – or 263 annually – since 2010. With respect to current housing characteristics, 66.7% are owner-occupied, 28.4% are renter-occupied, and the remaining 4.9% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.84 and has increased by 1.7% from 2.79% over the preceding five-year period. The mean monthly housing cost in Mission RCD has decreased by (7.39%) from \$1,964.79 to \$ 1,819.55 based on the most recent five-year period averages. The mean monthly housing cost, however, remains well above the countywide average of \$1,578.00.

Housing production in Mission RCD totals 43,605 dwelling units as of the term of the report period. This includes the addition of 2,371 units – or 263 a year – since 2010. The average monthly housing cost in Mission RCD is \$1,819, which is close to 15.3% higher than the countywide average.

Mission RCD Housing Breakdown

Table 4.1b (Source: American Community Survey and San Diego LAFCO)

Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
Mission RCD	41,234	43,605	5.7%	1,964.79	1,819.55	(7.4%)
San Diego County	1,164,766	1,236,184	6.1%	\$1,540	\$1,578	2.5%

4.2 Age Distribution

The median age of residents in Mission RCD is 47.6 based on the current five-year period average. This amount shows the population is generally holding with the median age experiencing an overall and modest change of 3.1% from 46.2 over the preceding five-year period average. The current median age in Mission RCD remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up slightly more than one-half of the estimated total population at 50.6%.

Residents within Mission RCD tend to be significantly older with a medium age of 47.6; an amount that is more than one-fourth higher than the countywide average of 35.3. The majority – 50.7% – of the residents are also aged within the prime working group of 25-64.

Mission RCD Resident Age Breakdown

Table 4.2a (Source: American Community Survey and San Diego LAFCO)

Service Area	2010 Median Age	2019 Median Age	Change	2010 Prime Working Age	2019 Prime Working Age	Change
Mission RCD	46.2	47.6	3.1%	51.58	50.7%	(1.7)%
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

The median household income in Mission RCD is \$75,375 based on the current five-year period average. This amount shows fulltime residents are receiving slightly less pay with the median income experiencing an overall decrease of (0.32%) from the preceding five-year period average of \$75,614. The current median household income in Mission RCD – nonetheless – is more than one-eighth higher than the current countywide median of \$66,529.

Mission RCD residents' average median household income has experienced a slight decrease in recent years and is currently \$75,375. This amount remains higher than the countywide median income \$66,529. The rate of persons living below the poverty rate – however – has increased by nearly three-fifths to 11.6% and is now approaching the countywide rate of 14.0%.

Separately, the current average rate of persons living below the poverty level in Mission RCD is 11.6% and has substantively increased by over three-fifths – or 61.2% – over the earlier five-year period and approaching the countywide rate of 14.0%.

Mission RCD**Resident Income Breakdown**

Table 4.3a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011			2012-2016		
	Median HH Income	Median HH Income	Change	Poverty Rate	Poverty Rate	Change
Mission RCD	\$75,614	\$75,375	(0.32%)	7.2%	11.6%	61.2%
San Diego County	\$63,857	\$66,529	4.2%	13.0%	14.0%	7.7%

4.4 Socioeconomic Indicators

Unemployment within Mission RCD is relatively low at 2.5% based on the current five-year period average. This amount also represents an overall and decrease of (39.6%) compared to the previous five-year average and finishes substantially below the corresponding countywide tally of 4.9%.

Close to one-third of Mission RCD residents have undergraduate degrees. The unemployment rate within Mission RCD is nearly one-half below the countywide amount.

Educational levels as measured by adults 25 or older with bachelor's degrees has slightly increased by 2.6% over the previous five-year period from 33.4% to 34.3%, but still continues to fall below the countywide rate of 36.5%. Over one-fourth – or 26.2% – of the population currently collects retirement income. The non-English speaking percentage of the population has decreased during this period from 12.5% to 10.6%; an overall difference of (15.2%).

Mission RCD**Socioeconomic Indicators Breakdown**

Table 4.4a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011			2012-2016		
	Unemployment Rate	Unemployment Rate	Change	Non English	Non English	Change
Mission RCD	4.1%	2.5%	(39.6%)	12.5%	10.6%	(15.2%)
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)

5.0 ORGANIZATION

5.1 Governance

Mission RCD's governance authority is established under the Resource Conservation District Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers Mission RCD to provide a moderate range of municipal functions involving natural resource protections and improvements upon approval by LAFCO. Mission RCD is currently authorized to provide three active municipal service functions under the principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before Mission RCD would be allowed to initiate. Similarly, should Mission RCD seek to divest itself of directly

providing an active service function, it would need to receive LAFCO approval at a noticed public hearing. A list of active and latent Mission RCD service functions follows.

Active Service Functions

- Soil Erosion
- Water Conservation
- Wildlife Enhancement
- Agricultural Enhancement

Latent Service Functions

- Water Distribution
- Erosion Stabilization

Governance of Mission RCD is independently provided by a five-member Board of Directors. Each member of the Board is directly elected by registered voters or – and as needed – appointed by the County of San Diego Board of Supervisors. All Board members serve staggered four-year terms with a rotating president system. The Board’s bylaws provide that they meet every third Monday at 6:30pm. Meetings are held at the Mission RCD office at 130 East Alvarado Street in Fallbrook. Directors do not receive per diems. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

Mission RCD meetings of its Board of Directors are scheduled for the third Monday each month. Directors do not receive per diems.

Mission RCD Current Governing Board Roster Table 5.1a (Source: Mission RCD)			
Member	Board Position	Years on the Board	Background
Scott Murray	President	19	Farmer
Julia Escamilla	Secretary	5	Conservationist
George Archibald	Director	4	Businessman
Vacant	Director	-	-
Heather Conklin	Director	1	Government

5.2 Administration

Mission RCD appoints an at-will General Manager to oversee all District activities. Principal duties include preparing an annual budget, liasoning with other State and local agencies, and supervising staff and contractors. The current District Manager – Darcy Cook – was appointed in May 2020 and oversees a budgeted staff of 5.0 fulltime and 1.0 part-time employees. Mission RCD contracts for legal services with Best, Best and Kreiger (San Diego) LLP and Attorney Scott Brown (Grass Valley).



6.0 MUNICIPAL SERVICES

Mission RCD (Mission) is currently authorized to provide four distinct municipal service functions under its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement.¹⁰ These service functions are provided through 5.0 fulltime equivalent employees at the end of the report period. Overall staffing levels have not changed over the corresponding 60-months and further detailed in the accompanying footnote.¹¹ A summary analysis of these active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

Mission RCD provides four active service functions under its principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active functions and related classes.

6.1 Soil Erosion

Mission RCD's soil erosion service function involves maintaining chemical makeup of healthy soils. Current activities focus on conducting soil surveys and developing carbon farming projects as further described below.

Soil Health Surveys

This service activity involves taking soil samples to identify type, texture, and nutrient levels. This information is subsequently analyzed by Mission RCD to determine carbon uptake and ability to reduce greenhouse gas emissions. The service activity is typically performed year-round and – among other outcomes – informs conservation activities.

Carbon Farming

This service activity involves providing technical assistance to landowners to increase organic matter contents into the soil by sequestering carbon dioxide from the atmosphere for placement into soil and vegetation. Common examples include composting applications, mulching, and other cover crops. The sequestration process supports plant photosynthesis and retention of water and nutrients in the soil and in doing so helps reduce soil erosion while also combats climate change by reducing greenhouse gas emissions. Related services include assisting landowners to apply for grants to fund individual carbon farming projects. The District also performs related educational services by operating demonstration plots at their community gardens.

¹⁰ Mission RCD is also authorized – subject to LAFCO approval – to provide water distribution and erosion stabilization.

¹¹ Full time equivalent staffing levels at the start of the five-year report period was five.

Mission RCD currently has two active soil erosion related contracts:

- California Department of Food and Agriculture: Climate Smart Program
This contract relationship began in 2018 to provide demonstration of healthy soils with testing to measure improvements in soil health. It includes demonstration of healthy soil management practices to growers in the region to reduce GHG by sequestering carbon, reduce soil salinity and water infiltration rates. Mission RCD received a \$0.044 grant from the CA Department of Food and Agriculture and extends to 2020.
- California Department of Food and Agriculture: Healthy Soils Demonstration Program
This contract relationship began in 2019 to provide demonstration of healthy soils with testing to measure improvements in soil health. It includes demonstration of healthy soil management practices to growers in the region to reduce GHG by sequestering carbon, reduce soil salinity and water infiltration rates. The current grant is for \$0.073 million and extends through 2022.

6.2 Water Conservation

Mission RCD's water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on performing irrigation audits, providing watershed education, and promoting residential and agricultural water conservation practices and further described below.

Irrigation Audits

This service activity involves capturing water consumption and potential losses to evaluate water use for landowners. This information is subsequently analyzed and corrective measures are identified to increase water efficiency and improve crop usage (vineyards, orchards, nurseries, etc.). Related technical services are also provided to landowners as requested and detailed below under "Water Conservation."

Watershed Education

This service activity involves a variety of programs and demonstrations aimed at informing opportunities to improve conditions within San Luis Rey, Santa Margarita, and Rainbow Creek Watersheds. Central examples include working with landowners, community groups, and other stakeholders to inform and facilitate stewardship activities throughout the watersheds with the collective aim of improving water quality and riparian habitats. Recent watershed education programs involved grant work with the California

Department of Conservation's Proposition 68 supporting avian monitoring (Least Bell's vireo and coastal California gnatcatcher) and fire-abatement projects.

Water Conservation

This service activity draws on information developed in water audits and involves implementation of water-saving practices. Current activities include participating in San Diego County Water Authority's Landscape Water Management Program and involves promotion and education of water efficiency practices to reduce residential and commercial water usage. This service supports residential and landscape water use surveys, evaluations and checkups, turf removal and installation of water conservation devices to reduce urban runoff and water consumption rates.

Mission RCD has current five active water conservation related contracts:

- Municipal Water District of Orange County: Irrigation Incentive Rebate Programs
This contract relationship was established in 2017 and involves a rebate program for residential and commercial sites for turf removal and installation of water conservation devices to reduce urban runoff and water consumption rates. The current grant is for \$1.2 million grant and extends through 2022.
- San Diego County Water Authority: WaterSmart Field Services Program
This contract relationship was established in 2010 and involves residential and landscape water use surveys, evaluation, and checkup. The current grant is for \$0.530 million with work extending through 2021.
- San Diego County Water Authority: Agriculture Water Management Plan
This contract relationship was established in 1992 and involves on-farm evaluations via the Mobile Irrigation Lab to retrofit agriculture irrigation systems to increase water efficiency and crop yields. The current grant is for \$0.290 million and extends to 2023.
- State Water Efficiency and Enhancement Program
This contract relationship was established in 2015 and involves grants to implement irrigation systems to reduce greenhouse gases and conserve water on agricultural uses. Additional details on grant value is pending.
- Rancho California Water District: Crop Sustainable Water for Agriculture Production
This contract relationship was established in YEAR and involves technical assistance

for crop conversion projects to replace existing crops with those with lower irrigation water demands. The current grant is for \$0.022 million and extends to 2020.

6.3 Wildlife Enhancement

Mission RCD's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities include invasive species removal, habitat restoration, and best management practices for equestrian properties. A summary description of these service function activities follows.

Invasive Species Removal

This service activity involves mitigating against invasive (non-native) species and their negative impact on biodiversity and natural ecosystems. Removal may be performed manually by hand or heavy machinery and sometimes herbicide. Current activities include remove *Arundo donax* in the San Luis Rey and Santa Margarita Watersheds. The establishment of the Santa Margarita – San Luis Rey Weed Management Area (WMA) was formed in the later 1990s to provide support, coordination and funding for management of invasive non-native plants and restoration of native riparian habitat within the Santa Margarita and San Luis Rey watersheds in San Diego County.

Habitat Restoration

This service activity involves repairing ecosystems that have been degraded or destroyed especially along riparian habitats. Current activities include restoration and conservation of natural resources in the Santa Margarita and San Luis Rey watersheds as well as establishing an avian monitoring of Least Bell's vireo and coastal California gnatcatcher.

Equestrian Properties Best Management Practices (BMPs)

This service activity involves how to properly set up and manage horse properties in ways that maximize sustainability and promote healthy and thriving lands by limiting soil degradation and sedimentation. Notably, this includes properly storing and disposing of horse manure for multiple reuse purposes.

Mission RCD currently has two active wildlife enhancement focused contracts:

- Vista United School District: Endowment Agreement for Arundo Management
This contract relationship was established in 2006 and involves long-term eradication

and retreatment of the invasive *Arundo donax* (Giant Reed) and maintenance of native plants on the Vista High School property. The current grant is for \$0.024 million and extends to 2022.

- California Wildlife Conservation Board: Riparian Restoration Field Services
This contract relationship was established in 2017 and involves riparian restoration field services for invasive *Arundo* detection and control in the San Luis Rey Watershed and San Juan Creek. The current grant is for \$1.8 million and extends to 2021.

6.4 Agricultural Enhancement

Mission RCD's agricultural enhancement service function involves supporting healthy and sustainable crop and livestock production. Current activities focus on agricultural sustainability as described below.

Agricultural Sustainability

This service activity involves an integrated system of plant and animal production practices having a site-specific application that will over the long-term satisfy human food and fiber needs. Additional details on related activities is pending.

Mission RCD has one active agriculture enhancement focused contract:

- Natural Resources Conservation Service: Regional Conservation Partnership Program
The 2018 Farm Bill created a stand-alone in coordination with the to provide financial and technical assistance to growers for implementation of agricultural sustainability and conservation practices on working lands. The current grant is for \$0.002 million grant and extends to 2021.

7.0 FINANCES

7.1 Financial Statements

Mission RCD contracts with an outside accounting consultant to prepare an annual report reviewing the District's financial statements in accordance with established governmental accounting standards. This includes auditing Mission RCD's statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Mission RCD's short and long-term fiscal health with specific focus on delivering its active municipal service functions: soil control and improvement; water

conservation; wildlife enhancement; and agricultural enhancement. The current outside consultant retained by Mission RCD is Nigro & Nigro, PC (Murrieta).

Mission RCD's most recent audited financial statements for the five-year report period were issued for 2018-2019.¹² These statements show Mission RCD experienced a moderate and positive change over the prior fiscal year as the District's overall net position (accrual basis) increased by 6.5% from \$0.370 million to \$0.396 million.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	\$1,031,358
Liabilities	\$635,377
Outflow/Inflow	\$0
Net Position	\$395,981

Underlying this change in net position is an increase in capital assets during the fiscal year. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Agency Assets

Mission RCD's audited assets at the end of 2018-2019 totaled \$1.031 million and is 2.2% higher than the average year-end amount of \$1.008 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented more than one-half of the total amount – or \$0.596 million – and primarily tied to contracts receivable (e.g. grants). Assets classified as non-current make up the remaining total – or \$0.436 million and entirely categorized as capital assets with more than one-half labeled as “improvements.”¹³ Overall assets for Mission RCD have increased by 11.7% over the corresponding 60-month period.

Mission RCD's assets have increased by one-tenth – or 11.7% – during the report period. The overall increase is directly attributed to increases in capital assets from \$0.079 to \$0.435 million over the 60-month period and marked by the purchase of a new administrative office in Fallbrook.

Mission RCD Audited Assets							5-Year Trend	5-Year Average
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019			
Current	844,299	754,557	574,187	934,892	595,854	(29.4%)	740,758	
Non-Current	79,266	220,284	223,386	379,763	435,504	449.4%	267,641	
Total	\$923,565	\$974,841	\$797,573	\$1,314,655	\$1,031,358	11.7%	\$1,008,398	

¹² The audit for 2018-2019 was issued by Nigro & Nigro, PC on June 30, 2019.

¹³ The District provided “improvements” is defined as the purchase of the office building.

Agency Liabilities

Mission RCD's audited liabilities at the end of 2018-2019 totaled \$0.635 million and finished 17.6% higher than the average year-end amount of \$0.540 million documented during the five-year report period. One-third of all liabilities finished the report period categorized as current and represent obligations owed within the year with most involving contract obligations. Overall liabilities for Mission RCD increased by 54.7% over the corresponding 60-month period.

Mission RCD's liabilities increased by more than one-half – or 54.7% – during the report period from \$0.411 to \$0.635 million. The increase is largely attributed to debt payments associated with purchase of its administrative office in Fallbrook.

Mission RCD

Audited Liabilities

Table 7.1b | Source: Valley Center CSD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	221,004	229,896	100,498	718,039	421,212	90.6	338,130
Non-Current	189,749	189,749	189,749	226,517	214,165	12.9%	201,986
Total	\$410,753	\$419,645	\$290,247	\$944,556	\$635,377	54.7%	\$ 540,116

Net Position

Mission RCD's audited net position or equity at the end of 2018-2019 totaled \$0.396 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (15.4%) lower than the average year-end sum of \$0.468 million documented during the five-year report period. More than one-half of the ending net position – or \$0.209 million – is tied to capital assets with most of the remainder categorized as unrestricted. Overall the net position for Mission RCD has decreased by (22.8%) over the corresponding 60-month period.

Mission RCD's net position is trending negatively during the report period with overall losses. The net position has decreased overall from \$0.513 to \$0.396 million; a difference of (22.8%).

Mission RCD

Audited Net Position

Table 7.1c | Source: Mission RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	79,266	220,284	223,386	143,867	208,987	163.7%	175,158
Restricted	187,991	187,633	187,104	-	59,009	-68.6%	124,347
Unrestricted	245,555	147,279	96,836	226,232	127,985	(47.9)	168,777
Total	\$512,812	\$555,196	\$507,326	\$370,099	\$395,981	(22.8%)	\$468,283

Mission RCD maintains one active governmental fund account – General – in support of its net position. The unassigned portion of the General Fund totaled \$0.128 million (modified accrual basis) as of the last audited fiscal year and represents the available and spendable portion of Mission RCD’s fund balance. The unassigned amount represents less than one month of operating expenses based on actuals in 2018-2019.¹⁴

Mission RCD’s unassigned balance within its General Fund at the end of the report period totaled \$0.128 million and has decreased overall by (47.9%). The end balance is sufficient to cover no more than one month of operating expenses.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO’s review of the audited financial statement issuances by Mission RCD covering the five-year report period shows the District experienced significant diminishment in all standard measurement categories – liquidity, capital, margin, and structure – utilized in this document as summarized below and reflected in the proceeding table.

Standard measurements used to assess Mission RCD’s financial standing shows the District finished the report period with trending negatively in all categories. Most notably, this includes an average total margin of (1.1%) during the corresponding 60-month period.

- Mission RCD’s liquidity levels are low and decreasing. The current ratio decreased by nearly two-thirds – or (63.0%) – during the report period from 3.8 to 1.4 with the ending amount reflecting sixty cents out of every \$1.00 available to the District is needed to cover an existing/immediate expense. The District’s days’ cash levels, similarly, decreased by (24.7%) and finished the report period at 26 days.
- Mission RCD’s capital levels are low and decreasing. The debt-to-net assets ratio increased by almost one-half during the report period from 37.0% to 54.1% with the ending amount reflects more than one-half of the net position is tied to long-term financing and reduces the District’s ability to secure outside capital. Moreover, the District’s debt ratio increased during the period from 44.5% to 61.6%.
- Mission RCD’s margin levels are very low and decreasing. The average total margin – the bottom line with respect to comparing revenues to expenses – during the period tallied (1.1%).

¹⁴ Actual operating expenses in 2018-2019 totaled \$1.722 million and produces a monthly average cost of \$0.143 million.

Mission RCD Financial Measurements

Table 7.2a | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	3.8 to 1	99.2	44.5%	37.0%	4.2%	6.2%	19.6%	15.6
2015-2016	3.3 to 1	73.4	43.1%	34.2%	3.3%	3.3%	11.7%	29.5
2016-2017	5.7 to 1	92.4	36.4%	37.4%	(6.0%)	(6.0%)	11.5%	35.4
2017-2018	1.3 to 1	257.1	71.9%	61.2%	(13.7%)	(13.7%)	19.4%	42.5
2018-2019	1.4	74.7	61.6%	54.1%	1.48%	1.48%	7.4%	26.4
Average	3.1 to 1	119.3	51.5%	66.3%	(1.1%)	(1.1%)	13.9%	29.9
Trend	(63.0%)	(24.7%)	38.5%	179.1%	(64.4%)	(64.4%)	(62.0%)	69.1%

Current Ratio (Liquidity)

Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)

Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)

Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)

Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)

Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)

Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)

Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)

Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

Mission RCD does not have recorded pension obligations.

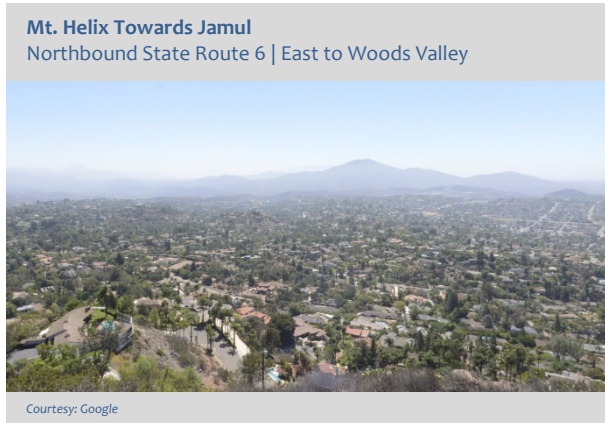
B. RESOURCE CONSERVATION DISTRICT OF GREATER SAN DIEGO COUNTY

1.0 OVERVIEW

The Resource Conservation District (RCD) of Greater San Diego County is an independent special district formed in 1995. Formation followed the voluntary consolidation of the Greater Mountain Empire and Central San Diego County RCDs, which were separately biproducts of earlier consolidations involving eight RCDs with initial formations dating back to 1941 in the El Cajon and Valley Center regions. RCD of Greater SD County

encompasses a 2,889-square mile jurisdictional boundary and includes two-thirds of all San Diego County. Most of the jurisdictional boundary – approximately 87% – comprises the unincorporated area and marked by the communities of Borrego Springs, Lakeside, Julian, Otay, Ramona, and Valley Center. The remainder of the jurisdictional boundary includes all or portions of the Cities of Carlsbad, Del Mar, El Cajon, Encinitas, Escondido, National City, Poway, San Marcos, Solana Beach, San Diego, Santee, and Vista. These latter lands, notably, are in the jurisdictional boundary as a result of having been added to one of the eight original RCDs prior to being annexed or incorporated into cities. Governance is provided by a seven-person board with members directly elected by geographic divisions or appointed by the Board of Supervisors in lieu of candidate filings. All members serve staggered four-year terms. The average tenure on the Board among the current members is five years with the longest tenured member – Marilyn Huntamer – completing her ninth year.

RCD of Greater San Diego County is presently organized as a multi-purpose agency with municipal services currently tied to three active categories under its principal act: (a) soil erosion; (b) water conservation; and (c) wildlife enhancement. RCD of Greater San Diego County is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution, agricultural enhancement and erosion stabilization. The operating budget at the term of the report period (2018-2019) was \$1.016 million and accommodated 18.0 fulltime equivalent employees. The last audited financial statements cover 2018-2019 and show RCD of Greater San Diego County's net position totaling \$2.362 million with the unrestricted portion tallying \$0.474 million. This latter amount translates to covering eight plus months of operating expenses based on recent actuals.



LAFCO independently estimates the fulltime resident population within RCD of Greater San Diego County is 1,445,460 as of the term of this report period and accommodated through the overall construction of 517,652 housing units in the District. Close to two-thirds of all District residents now reside in incorporated areas. It is also projected the estimate of fulltime residents represents an overall increase of 15.4% since 2010 – or 13,930 annually – with a resulting annual growth rate of 0.99%, which is moderately above the corresponding countywide rate of 0.81%. The median household income in the District is \$59,041 based on the current five-year period average and one-tenth below the countywide average of \$66,529.

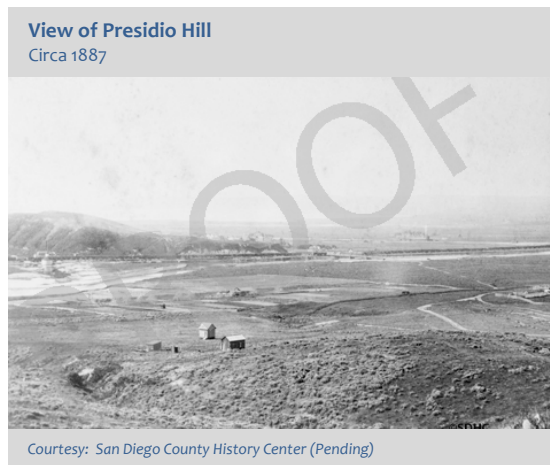
2.0 BACKGROUND

2.1 Community Development

RCD of Greater San Diego County's service area covers seven-eighths of San Diego County and began its present-day development as a Spanish settlement with the founding of the San Diego Presidio and Mission San Diego de Alcalá by Spanish soldiers and clerics in 1769. Jurisdiction over the service area transitioned from Spain to Mexico in 1821 and later to the United States in 1848 as a result of the Treaty of Guadalupe Hidalgo, which ended the Mexican–American War. Statehood in 1850 paralleled San Diego County's establishment as one of California's original 27 counties and initially included most of present-day Riverside County and all present-day Imperial County before their detachments by the Legislature in 1893 and 1907, respectively.

The first census performed estimated the overall population of San Diego County at 798 in 1850. The population increased to 35,090 in 1900 with nearly two thirds – or 22,479 – lying within the five incorporated communities at the time (Coronado, Escondido, National City, Oceanside, and San Diego). The remaining one-third of the centurion population – or 12,611 – was spread out among two dozen plus unincorporated communities. This included close to 7,500 living in the present-day RCD of Greater San Diego County with notable unincorporated communities beginning to

View of Presidio Hill
Circa 1887



Courtesy: San Diego County History Center (Pending)

Jamul Ranch
Circa 1910s



Courtesy: San Diego County History Center

develop in Alpine, Campo, Capitan Grande (Lakeside), Jamul, Otay, and Valley Center and predominantly consisting of agrarian and ranching uses.

The development of local water supplies coupled with improvements in transportation and the ability of farmers to bring products more directly to market led to intensification in commercial agricultural activities in unincorporated San Diego County by the 1930s. Prominent crops at the time were lemons, eggs, milk/cream, oranges, and beef cattle.¹⁵ The intensification in agricultural activities in San Diego County relatedly led to the opening of the first local field office of the Natural Resources Conservation Services (NRCS) in Escondido in 1940 to assist farmers with developing effective soil management practices consistent with the newly created federal agency's tasks following the Dust Bowl experience a decade earlier.

Establishment of NRCS in San Diego County preceded the coordinated formation of several RCDs to partner in organizing soil management activities while providing funding through a modest portion of local property taxes. This included formation of several within the present-day service area of RCD of Greater San Diego County beginning in 1941 with the Valley Center and El Cajon-Lakeside RCDs (then Soil Conservation Service Districts). A listing of all RCDs subsequently formed in the service area and associated consolidations follows.¹⁶

- Valley Center RCD in 1941
 - Later consolidated into Palomar RCD in 1975
- El Cajon-Lakeside RCD in 1941
 - Later consolidated into Palomar RCD in 1968
- Mountain Empire RCD in 1942
 - Later consolidated into the Greater Mountain Empire RCD in 1961
- Ramona-Julian RCD in 1942
 - Later consolidated into RCD on Central San Diego County in 1980
 - Escondido-San Marcos RCD (date unknown)
- Penasquitos RCD (date unknown)
 - Later consolidated into Palomar RCD in 1976

¹⁵ Reference to San Diego County's Annual Agriculture Report, 1938.

¹⁶ Soil Conservation Services changes its name to Resource Conservation District in 1971 and expands its resource conservation to include habitat loss, invasive species removal, water and air quality.

- Borrego Valley RCD (date unknown)
 - Later consolidated into Ramona-Julian RCD in 1976
- Agua Buena RCD (date unknown)
- Greater Mountain Empire RCD in 1961
 - Consolidation of El Cajon-Lakeside and Mountain Empire RCDs
 - Later consolidated into RCD of Greater San Diego County in 1995
- Palomar RCD in 1968
 - Consolidation of Escondido-San Marcos and Agua Buena RCDs
 - Later consolidated into RCD of Central San Diego County in 1980
- RCD of Central San Diego County in 1980
 - Consolidation of Palomar and Ramona-Julian RCDs
 - Later consolidated into RCD of Greater San Diego in 1995

2.2 Formation Proceedings

RCD of Greater San Diego County's formation was proposed in 1994 as successor agency to the concurrent consolidation of Central San Diego County RCD and Greater Mountain Empire RCD. The proposal was jointly filed by the two RCDs and done so to establish long-term economies of scale for RCDs in the affected territory while immediately remedying Greater Mountain Empire's precarious financial condition. LAFCO approved the concurrent consolidation and formation in February 1995. Protest proceedings did not generate sufficient objections and the formation was finalized in May 1995 with the appointment of seven directors with all five from Central San Diego along with two from Greater Mountain Empire with appointments made by the Board of Supervisors.

2.3 Post Formation Activities

A summary of notable activities undertaken by RCD of Greater San Diego County and/or affecting the District's service area following formation in 1944 is provided below.

- LAFCO establishes RCD of Greater San Diego County's sphere of influence in May 1995. The sphere is purposely set as a larger-than-agency designation and matches the prior designations of the two predecessor agencies – Greater Mountain Empire and Central San Diego County RCDs.

- LAFCO updates and affirms RCD of Greater San Diego County’s sphere of influence in March 2013 with no changes.
- LAFCO updates and affirms RCD of Greater San Diego County’s sphere of influence in March 2013 with no changes.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

RCD of Greater San Diego County’s existing boundary spans approximately 2,989 square miles and covers 1,913,312 acres (parcels and public rights-of-ways). The County of San Diego is the predominant land use authority and overlaps 87% of the jurisdictional boundary and planned accordingly in 31 separate community plans. The remaining portion of the jurisdictional boundary is incorporated and includes all or portions of lands lying in the Cities of Carlsbad, Del Mar, El Cajon, Encinitas, Escondido, National City, Poway, San Marcos, Solana Beach, San Diego, Santee, and Vista. This latter portion of the jurisdictional boundary, notably, represents lands previously within the predecessor agencies of RCD of Greater San Diego County and were subsequently and separately annexed or incorporated into cities. Overall, there are currently 748,225 registered voters within the District.

RCD of Greater San Diego County’s jurisdictional boundary spans 2,989 square miles and covers 66% of all of San Diego County. Almost all the jurisdiction is unincorporated with exception of ** square miles lying within all or portions of 13 cities.

RCD of Greater San Diego County Boundary Breakdown By Land Use Authority Table 3.1a (Source: Esri and San Diego LAFCO)				
Land Use Authority	Total Assessor Parcel Acres	% of Total Assessor Parcel Acres	Total Assessor Parcels	Number of Registered Voters
County of San Diego	1,665,419	87%	118,728	238,036
City of Carlsbad	20,346	1.06%	51,380	59,008
City of Chula Vista	14,379	0.75%	26,290	51,324
City of El Cajon	5,407	0.28%	10,400	19,807
City of Encinitas	5,537	0.29%	7,878	14,413
City of Escondido	22,570	1.18%	33,726	63,640
City of La Mesa	196	0.01%	395	1,261
City of Oceanside	9,174	0.48%	23,701	40,081
City of Poway	25,039	1.31%	16,190	30,997
City of San Diego	106,850	5.58%	270,211	62,287
City of San Marcos	15,556	0.81%	26,401	47,445
City of Santee	10,686	0.56%	19,366	35,336
City of Solana Beach	200	0.01%	355	584
City of Vista	11,952	0.62%	23,896	46,402
TOTAL	1,913,312	100%	628,917	748,225

Total assessed value (land and structure) within RCD of Greater San Diego County is set at \$321.1 billion as of January 2020 and translates to a per acre value ratio of \$0.168 million. The former amount – \$321.1 billion – further represents a per capita value of \$0.221 million based on the estimated fulltime population of 1.45 million. RCD of Greater San Diego County receives 0.00006417% of the annual 1.00% of property tax collected in the District.

RCD of Greater San Diego County receives \$0.00006417 cents for every \$1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from RCD of Greater San Diego County at the end of the fiscal year was \$0.357 million.

The jurisdictional boundary is currently divided into 628,917 assessor parcels spanning 1,865,577 acres. (The remaining jurisdictional acreage – 47,735 – consists of dedicated public right-of-ways and local water bodies.) More than nine-tenths – 98.6% – of the assessor parcel acreage is under private ownership with four-fifths of this amount having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private parcel assessor acreage is undeveloped and consists of 57,537 vacant parcels that collectively total 353,766 acres. More than four-sevenths – or 1,117,575 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

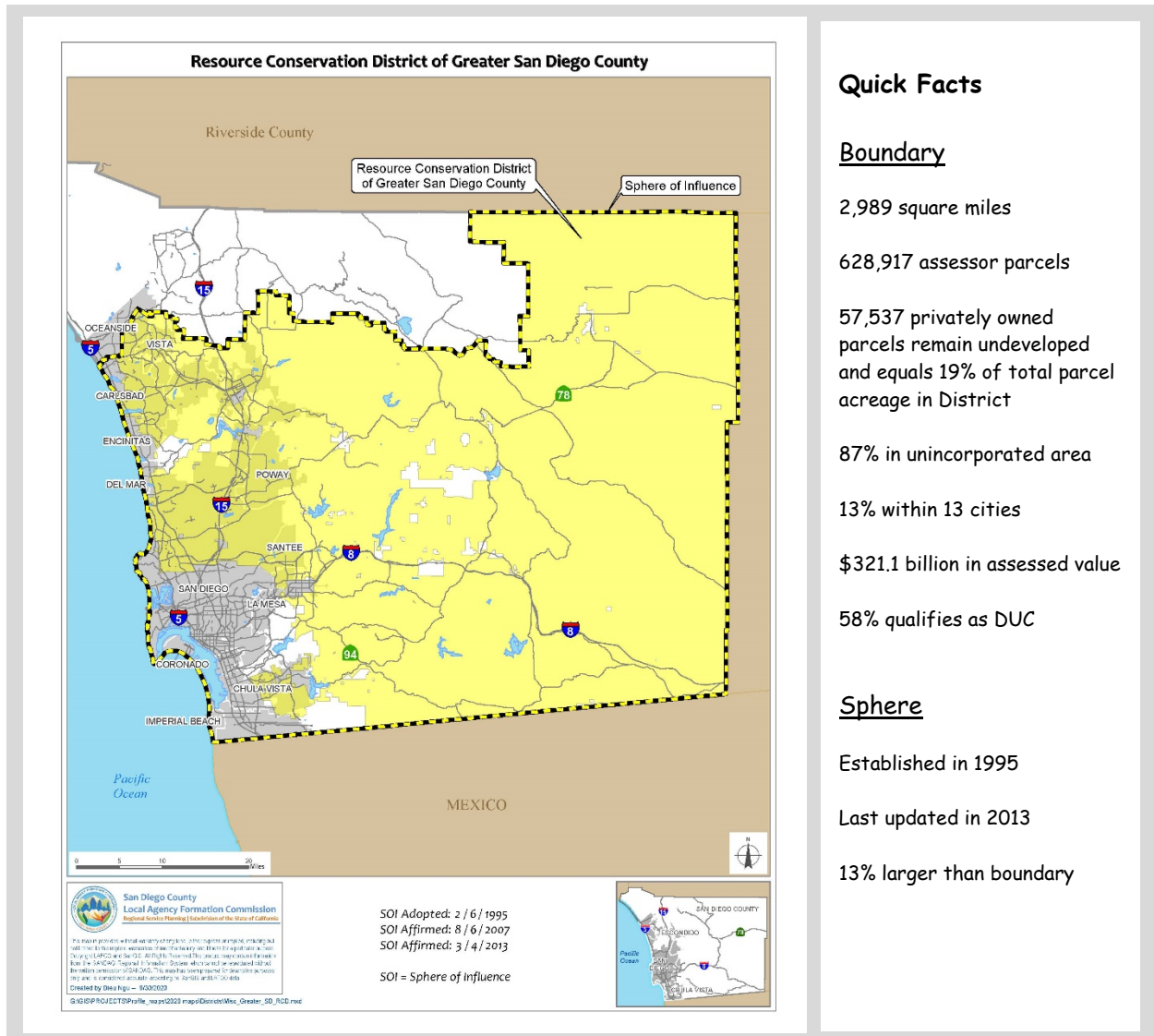
There are 619,514 privately owned assessor parcels within RCD of Greater San Diego County that remain undeveloped and total 353,766 acres; an amount that represents close to one-fifth of the entire District.

3.2 Sphere of Influence

RCD of Greater San Diego County's sphere of influence was established by LAFCO in May 1995 and last reviewed and affirmed without change in March 2013. The sphere is larger than the District boundary with the inclusion of 257,247 non-jurisdictional acres with and largely centered in the Cities of San Diego, Chula Vista, and National City. The sphere does not exclude any existing jurisdictional lands. No special study areas have been assigned to the RCD of Greater San Diego County sphere.

RCD of Greater San Diego County's sphere of influence is 13% larger than the District that totals 257,247 acres lying outside the jurisdictional boundary.

3.3 Current Boundary and Sphere Map



4.0 DEMOGRAPHICS

4.1 Population and Housing

RCD of Greater San Diego County’s total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 1,445,460 as of the term of the five-year report period. This amount represents 43.4% of the countywide total. It is also estimated the fulltime population has risen overall by 8.90% from 1,320,088 in 2010 and the last census reset. This translates to an annual change of

It is estimated there are 1,445,460 fulltime residents within RCD of Greater San Diego County at the end of the report period and captures two-fifths of the county total. It is also projected the fulltime population will increase consistent with recent trends – or 0.81% annually – and reach 1,505,034 by 2024.

0.99% and above the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue intact into the near-term and result in the fulltime population reaching 1,505,034 by 2024. The jurisdiction has a current population density of 1 resident for every 1.3 acres and underlies the overall rural character of the jurisdiction.

RCD of Greater San Diego County Resident Population Table 4.1a (Source: Esri and San Diego LAFCO)				
Factor	2010	2019	2024 (projected)	Annual Change %
RCD of Greater San Diego County	1,320,088	1,445,460	1,505,034	0.99%
San Diego County	3,095,264	3,333,975	3,460,447	0.81%

There are 517,652 residential housing units within RCD of Greater San Diego County as of the report period term. This amount has increased by 484,140 – or 3,724 annually – since 2010. With respect to current housing characteristics within the District, 62.2% are owner-occupied, 33.8% are renter-occupied, and the remaining 4.0% are vacant. The average household size is 2.60 and has decreased by (1.2%) from 2.63 over the preceding five-year period. The mean monthly housing cost in RCD of Greater San Diego County has decreased by (4.1%) from \$1,305.79 to \$1,252.88 based on the most recent five-year period averages. The mean monthly housing cost also continues to remain well below the countywide average of \$1,578.00.

Housing production in RCD of Greater San Diego County totals 517,652 dwelling units as of the term of the report period. This includes the addition of 33,512 units – or 3,724 a year – since 2010. The average monthly housing cost in the District is \$1,252.88, which is close to one-fourth lower than the countywide average.

RCD of Greater San Diego County Housing Breakdown Table 4.1b (Source: American Community Survey and San Diego LAFCO)						
Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
RCD of Greater San Diego County	484,140	517,652		1,305.79	1,252.88	(4.9%)
San Diego County	1,164,766	1,236,184	6.1%	\$1,540	\$1,578	2.5%

4.2 Age Distribution

The median age of residents in RCD of Greater San Diego County is 47.7 based on the current five-year period average. This amount shows the population is rising with the median age experiencing an overall change of 5.9% from 45.1 over the preceding five-year period average. The current median age in RCD of Greater San Diego County also remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up slightly more than one-half of the

Residents within RCD of Greater San Diego County tend to be significantly older with a medium age of 47.7; an amount that is more than one-fourth higher than the countywide average of 35.3. The majority – 50.4% – of the residents also are aged within the prime working group of 25-64.

estimated total population at 50.4%.

RCD of Greater San Diego County Resident Age Breakdown						
Table 4.2a (Source: American Community Survey and San Diego LAFCO)						
Service Area	2010	2019	Change	2010	2019	Change
	Median Age	Median Age		Prime Working Age	Prime Working Age	
RCD of Greater San Diego County	45.07	47.71	5.87%	50.63	50.4%	(0.5)%
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

The median household income in RCD of Greater San Diego County is \$59,041 based on the current five-year period average. This amount shows fulltime residents are receiving less pay with the median income experiencing an overall decrease of (5.4%) from the preceding five-year period average of \$62,427. The current median household income in RCD of Greater San Diego County is also lower by one-eighth than the current countywide median of \$66,529. Separately, the current average rate of persons living below the poverty level in RCD of Greater San Diego County is 14.4% and has increased by or 5.3% over the earlier five-year period and surpassing the countywide rate of 14.0%.

RCD of Greater San Diego County residents' average median household income has experienced a decrease in recent years and is currently \$59,041. This amount is more than one-eighth lower than the countywide median income \$66,529. The rate of persons living below the poverty rate has separately increased by to 14.4% and is now slightly above the countywide rate of 14.0%.

RCD of Greater San Diego County Resident Income Breakdown						
Table 4.3a (Source: American Community Survey and San Diego LAFCO)						
Service Area	2007-2011	2012-2016	Change	2007-2011	2012-2016	Change
	Median HH Income	Median HH Income		Poverty Rate	Poverty Rate	
RCD of Greater San Diego County	\$62,427	\$59,041	(5.4%)	13.7%	14.4%	5.3%
San Diego County	\$63,857	\$66,529	4.2%	13.0%	14.0%	7.7%

4.4 Socioeconomic Indicators

Unemployment within RCD of Greater San Diego County is relatively high at 8.6% based on the current five-year period average. This amount represents an overall and negative change of 100.3% compared to the previous five-year average and is far in excess of the corresponding countywide change of (12.5%) from 5.6% to 4.9%. Educational levels as measured by adults 25 or older with bachelor degrees has slightly increased with the overall rate rising by 5.5% over the previous five-year period from 25.3% to 26.7% - although still substantially below the countywide rate of 36.5%. Over one-fourth - or 27.0% - of the population currently collects

Slightly more than one-fourth of RCD of Greater San Diego County residents have undergraduate degrees. The unemployment rate within the District is nearly double the countywide amount.

retirement income. The non-English speaking percentage of the population has decreased during this period from 14.3% to 9.6%; an overall difference of (32.5%).

RCD of Greater San Diego County Socioeconomic Indicators Breakdown						
Table 4.4a (Source: American Community Survey and San Diego LAFCO)						
Service Area	2007-2011			2012-2016		
	Unemployment Rate	Unemployment Rate	Change	Non English	Non English	Change
RCD of Greater San Diego	4.30	8.62	100.3%	14.3%	9.6%	(32.5%)
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)

5.0 ORGANIZATION

5.1 Governance

RCD of Greater San Diego County’s governance authority is established under the Resource Conservation Districts Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers RCD of Greater San Diego County to provide a moderate range of municipal service functions involving natural resource protections and improvements upon approval by LAFCO. RCD of Greater San Diego County is currently authorized to provide four active municipal service functions: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before RCD of Greater San Diego County would be allowed to initiate. Similarly, should RCD of Greater San Diego County seek to divest itself of directly providing an active service function, it would need to receive LAFCO approval. A list of active and latent RCD of Greater San Diego County service functions follows.

Active Service Functions

- Soil Erosion
- Water Conservation
- Wildlife Enhancement
- Agricultural Enhancement

Latent Service Functions

- Water Distribution
- Erosion Stabilization

Governance of RCD of Greater San Diego County is independently provided by a seven-member Board of Directors.¹⁷ Each member of the Board is either elected by registered voters or appointed by the County of San Diego Board of Supervisors in the event no candidates file for election. All Board members serve

RCD of Greater San Diego County’s regular meetings are scheduled on the first Tuesday of each month. Directors do not receive per diems.

¹⁷ LAFCO established a seven-member Board as part of the formation proceedings in 1995 and initially comprised all five Board members from RCD of Central San Diego County and two members from Empire Mountain RCD.

staggered four-year terms with a rotating president system. The Board has also established to two “Associate” positions on the Board to help inform decision-making. The Board regularly meets every first Tuesday at 1:00pm at RCD of Greater San Diego County’s administrative office at 11769 Waterhill Road in Lakeside (92040). Directors do not receive per diems for meetings attended. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

RCD of Greater San Diego County Current Governing Board Roster Table 5.1a (Source: RCD of Greater San Diego)			
Member	Board Position	Years on the Board	Background
Donald Butz	President	5	Fire Service
Marilyn Huntamer	Vice President	9	Small Business Owner
James Thompson	Secretary	4	Registered Arborist
Jordan Gascon	Director	2	Executive Director
Cody Petterson	Director	1	Non-profit Director
Vacant			
Vacant			
D.K. Nasland	Associate Director	Less than 1	Engineering Director
Jo MacKenzie	Associate Director	Less than 1	Land Use Planner

5.2 Administration

RCD of Greater San Diego County appoints an at-will General Manager to oversee all District activities. Principal duties include preparing an annual budget, liasoning with other State and local agencies, and managing staff and contracted consultants/vendors. The current General Manager – Sheryl Landrum – was appointed in January 2013 and oversees a budgeted staff of 18.0 fulltime employees along with seasonal staff. RCD of Greater San Diego County contracts with McDougal Love Boehmer Foley Lyon and Canlas (La Mesa) with principal legal representation provided by Steven E. Boehmer.



6.0 MUNICIPAL SERVICES

RCD of Greater San Diego County is currently authorized to provide four distinct municipal service functions consistent with its principal act: (a) soil erosion; (b) water conservation; (c) wildlife enhancement; and (d) agricultural enhancement.¹⁸ These service functions are provided through 18.0 equivalent staff at the end of the report period. Overall staffing levels has changed by 260% over the corresponding 60-months and detailed in the accompanying footnote.¹⁹ A summary analysis of the active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

RCD of Greater San Diego County provides four active service functions under its principal act: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active functions and related classes.

6.1 Soil Erosion

RCD of Greater San Diego County's soil erosion service function involves maintaining chemical makeup of healthy soils. Current activities focus on developing carbon farming projects and providing fuel reduction. A description of these current activities follow.

Carbon Farming

This service activity involves providing technical assistance to landowners to increase organic matter contents into the soil by sequestering carbon dioxide from the atmosphere for placement into soil and vegetation. Common examples include composting applications, mulching, and other cover crops. The sequestration process supports plant photosynthesis and retention of water and nutrients in the soil and in doing so helps reduce soil erosion while also combats climate change by overtime reducing greenhouse gas emissions. Related District services include assisting landowners to apply for grants to fund individual carbon farming projects. The District also performs related educational services by operating demonstration plots at the Sweetwater and Tijuana Valley Community Gardens.

Fuel Reduction

This service activity involves providing educational and related technical advice to landowners and community organizations to help reduce excess surface fuels that have fallen to the ground. Common examples of surface fuels are leaves, twigs, and pieces of bark, which are

¹⁸ RCD of Greater San Diego County is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization.

¹⁹ Fulltime equivalent staffing levels at the start of the five-year report period was 8.

collectively referred to as “leaf litter.” Reducing fuels through prescribed burning or other methods can minimize soil erosion caused by severe wildfires.

RCD of Greater San Diego County currently has five active contracts relating to its soil erosion service function and are summarized below.

- United States Forest Service: Cleveland National Forest
This contract relationship was established in 2009 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to the Palomar Observatory and Bergman Ranch areas within the Cleveland National Forest. The current grant provides \$2.0 million and extends through 2021.
- United States Forest Service: Grants Clearinghouse
This contract relationship was established in 2008 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to rural San Diego County. The current grant provides \$200k and extends through 2020.
- San Diego Gas and Electric (SDG&E)
This contract relationship was established in 2012 and involves grant funding for the District to provide fuel reduction and fire prevention education services specific to the SD County area. The current grant provides \$0.120 million and extends through 2021.
- California Department of Food and Agriculture (CDFA)
This contract relationship was established in August 2019 and involves grant funding for the District to assist carbon farming practices at the Daley Ranch in Jamul. The current grant provides \$0.099 million and extends through 2022.

6.2 Water Conservation

RCD of Greater San Diego County’s water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on watershed education and related technical assistance. Additional details follow.

Watershed Education

This service activity has been a central focus of the District since formation and involves an education program delivered to schools and at community events to educate and inform students and residents to improve conditions within the San Diego Bay Watershed and its three sub-areas: Otay; Pueblo; and Sweetwater. Examples include working with

landowners, schools, and community groups to inform and facilitate stewardship activities throughout the San Diego Bay Watershed to improve water quality. The program includes a classroom presentation to educate students about what a watershed is, how watersheds become polluted, and how individuals can make a difference. The District also annually awards \$1,000 scholarships to graduating high-school students demonstrating achievement in promoting watershed stewardship.

RCD of Greater San Diego County currently has two active contracts relating to its water conservation function and are summarized below.

- San Diego County Port Authority

This contract relationship was established in 2017 and involves grant funding for the District to provide free watershed education programs made available to all second through sixth grade students located within the San Diego Bay Watershed. The grant program typically involves registered schools receiving in-class presentations aimed at providing students hands-on opportunities to learn about their environment and the connection between land, water, and human actions. The current grant provides the District \$0.101 million grant and extends through 2022.

- Student & Landowner Education & Watershed Stewardship (SLEWS)

This contract relationship was established in 2014 and involves grant funding to for the District to engage high school students on real-world conservation projects. The grant program focuses on watershed education at the elementary school level within AREA. The current grant provides the District \$0.016 million through 2021.

6.3 Wildlife Enhancement

RCD of Greater San Diego County's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities focus on habitat restoration, pollinator health, and wildfire prevention. Additional details follow.

Habitat Restoration (Invasive Species Removal)

This service activity involves addressing the negative effects on the natural environment from invasive species – such as *Arundo donax* and Tamarisk. This includes removing and/or otherwise curbing invasive species that are prone to spread massively on natural ecosystems and cause adverse impacts and marked by the loss of biodiversity. Removal is typically performed manually by hand or heavy machinery and supplemented as needed by herbicide. Current activities include eliminating invasive plants, weeds, and wildlife species

along the El Capitan Reservoir to limit their deleterious effects on water supply and quality while reducing fuel loads.

Pollinator Health

This service activity involves restoring and enhancing natural habitat for native pollinators, including bees, birds, and butterflies. The aim of the program is support pollinators and the essential role in supporting food production and plant diversity and currently include creating demonstration pollinator gardens in public spaces and as part of an annual exhibit at the San Diego County Fair. Related work also includes creating a local source of native milkweed for use in habitat creation in both home gardens and restoration projects. The District serves as the administrator for the San Diego Pollinator Alliance, which is a network of agencies and organizations partnering to support pollinator health in San Diego County.

Wildland Fire Prevention

This service activity involves managing local programs to help facilitate defensible space initiatives and protect landowners and communities from wildland fires. These activities are done in partnership with the Fire Safety Council of San Diego County and its local chapters. Management activities includes organizing and administering grants to provide local fire safe council chapters with free chipping, brush thinning and clearing, and community workshops. The service activity is performed across the District and the work is conducted year round.

RCD of Greater San Diego County currently has six active contracts relating to its wildlife enhancement function and are summarized below.

- California Association of Resource Conservation Districts
This contract relationship was established in 2016 and involves grant funding to raise awareness of the benefits of planting native milkweed and includes providing local, native milkweed seed sources to landowners. The current grant is for \$0.002 million grant and extends to 2022.
- San Diego Integrated Regional Water Management
This contract relationship was established in 2017 and involves grant funding to improve water quality in the El Capitan Reservoir in eastern San Diego County. The grant program is tied to Proposition 84 and funds the elimination of invasive plants, weeds, and wildlife species along the El Capitan Reservoir. The current grant is for \$2.1 million extends through 2022.

- U.S. Fish and Wildlife Service
This contract relationship was established in 2014 and involves grant funding to build and support local pollinator habitats and the work of the San Diego Pollinator Alliance. Existing focus is on the creation of the first local source of native milkweed seed to support and revitalize pollinator habitats in San Diego. The current grant is for \$0.044 million grant and extends through 2023.
- California Department of Forestry and Fire Protection (CAL FIRE)
This contract relationship was established in 2019 and involves grant funding to conserve working forests and minimize loss of forest carbon as well as protect upper watersheds. Current focus is on the Palomar Mountain area and includes a multi-agency partnership with Fire Safe Council of San Diego County, United States Forest Service, La Jolla Band of Luiseño Indians, Pauma Band of Mission Indians, and Palomar Land & Cattle Company. The current grant is for \$5.0 million grant and extends to 2024.
- County of San Diego
This contract relationship was established in 2016 and involves grant funding to improve the Tijuana River Valley. Specific activities focus on expanding and improving the Tijuana River Valley Community Garden with recent accomplishments including new irrigation and security for 98 garden plots as well as creating six quarter-acre plots for more intestine gardening. The current grant is for \$0.030 million and extends to October 2020.
- California Department of Conservation: Regional Fire and Forest
This contract relationship was established in 2019 and involves assistance to develop local chapters for the Fire Safe Council of San Diego County. Specific activities funded by the grant program include planning and demonstration project such as wood chipping, defensible space assistance, and conducting fire-safety workshops. The current grant is for \$1.43 million and extends to 2023.

6.4 Agricultural Enhancement

RCD of Greater San Diego County's agricultural enhancement service function involves supporting healthy and sustainable crop and livestock production. Current activities focus on regenerative farming, community supported agriculture, and integrated pest management. Additional details follow.

Regenerative Farming

This service activity involves working with landowners and other stakeholders to develop alternative farming methods to conventional practices that rely on tilling and non-organic fertilizers. The purpose of the service is to improve biodiversity through natural land restorative practices. Additional details on related activities is pending.

Community Supported Agriculture

This service activity involves connecting local farmers with consumers and provide a direct farm-to-table relationship through the District's operations at Wild Willow Farm and Education Center. Key mechanics involve managing an exchange system in which customers pre-purchase a "share" of produce with regular deliveries throughout the year (weekly or biweekly) from the farm based on the true costs of production. Additional details on related activities is pending.

Integrated Pest Management (IPM)

This service activity involves providing instruction to landowners and other stakeholders on garden-friendly pest control methods. The purpose of the service is to reduce non-native pests and maintain healthy gardens. Additional activity details are pending.

7.0 FINANCES

7.1 Financial Statements

RCD of Greater San Diego County contracts with an outside accounting consultant to prepare an annual report reviewing the District’s financial statements in accordance with established governmental accounting standards. This includes auditing RCD of Greater San Diego County’s statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing RCD of Greater San Diego County’s short and long-term fiscal health with specific focus on delivering its active municipal service functions: soil erosion; water conservation; wildlife enhancement; and agricultural enhancement. The current outside consultant is Wilkinson, Hadley, King and Co (El Cajon).

RCD of Greater San Diego County’s most recent audited financial statements for the five-year report period were issued for 2018-2019.²⁰ These statements show RCD of Greater San Diego County experienced a slightly negative change over the prior fiscal year as the District’s overall net position (regular accrual basis) decreased by (4.8%) from \$2.483 million to \$2.362 million. Underlying this change in net position is an increase in accounts payable coupled with a total margin loss of (6.9%) during the fiscal year due to the purchase of Wild Willow Farm. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	\$2,595,328
Liabilities	\$233,250
Outflow/Inflow	\$0
Net Position	\$2,362,078

Agency Assets

RCD of Greater San Diego County’s audited assets at the end of 2018-2019 totaled 2.595 million and is (0.8%) lower than the average year-end amount of \$2.610 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented close to two-thirds of the total amount – or \$1.669 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining total – or \$0.926 million and entirely categorized as capital facilities. Overall assets for RCD of Greater San Diego County have decreased by (1.5%) over the corresponding 60-month period.

RCD of Greater San Diego County’s assets have modestly decreased by (0.8%) during the report period due to the purchase of Wild Willow Farms. The overall decrease is primarily attributed to a decrease in cash equivalents from \$1.478 to \$1.183 million over the 60-month period.

²⁰ The audit for 2018-2019 was issued by Wilkinson, Hadley and King Company, LLP on June 30, 2019.

RCD of Greater San Diego County Audited Assets

Table 7.1a | Source: RCD of Greater San Diego County

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	1,616,411	1,578,735	1,677,866	1,591,911	1,669,656	3.3%	1,626,916
Non-Current	1,019,173	1,017,442	995,724	959,209	925,672	(9.2%)	983,444
Total	\$ 2,635,584	\$2,596,177	\$2,673,590	\$2,551,120	\$2,595,328	(1.5%)	\$2,610,360

Agency Liabilities

RCD of Greater San Diego County audited liabilities at the end of 2018-2019 totaled \$0.233 million and finished 125.1 higher than the average year-end amount of \$0.102 million documented during the five-year report period. More than four-fifths of all liabilities finished the report period categorized as current and represent obligations owed within the year and largely tied to accounts payable. The remaining amount of liabilities are categorized as non-current and exclusively involve unearned revenues. Overall liabilities for RCD of Greater San Diego County have increased by 321.5% over the corresponding 60-month period.

RCD of Greater San Diego County's liabilities remain modest overall but nonetheless have increased by three-fold – or 321.5% – during the report period from \$0.055 to \$0.233 million. The increase is largely attributed to a period-ending spike in accounts payable.

RCD of Greater San Diego County Audited Liabilities

Table 7.1b | Source: RCD of Greater San Diego County

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	26,719	37,664	26,681	33,627	195,376	631.2%	64,646
Non-Current	28,621	21,681	69,084	40,861	37,874	32.3%	39,624
Total	\$55,340	\$59,345	\$95,765	\$74,488	\$233,250	321.5%	102,270

Net Position

RCD of Greater San Diego County's audited net position or equity at the end of 2018-2019 totaled \$2.362 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (5.8%) lower than the average year-end sum of \$2.508 million documented during the five-year report period. Close to two-fifths of the ending net position – or \$0.926 million – is tied to capital assets. The remainder is divided between restricted and unrestricted. Overall, the net position for RCD of Greater San Diego County has decreased by (8.5%) over the corresponding 60-month period with the volume attributed to the preceding reference to a period-ending spike in liabilities.

RCD of Greater San Diego County's net position is trending slightly negative with losses in four of the five years during the report period. The net position has decreased overall from \$2.580 to \$2.362 million; a difference of (8.5%).

RCD of Greater San Diego County Audited Net Position

Table 7.1c | Source: Mission RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	1,019,173	1,017,442	995,724	959,248	925,671	(9.2%)	983,452
Restricted	-	-	942,118	962,519	961,915	n/a	573,310
Unrestricted	1,561,071	1,519,390	639,983	561,701	474,492	(69.6%)	951,327
Total	\$2,580,244	\$2,536,832	\$2,577,825	\$ 2,483,468	\$2,362,078	(8.5%)	\$2,508,089

RCD of Greater San Diego County maintains one active governmental fund – general – underlying the net position. The unassigned portion of the General Fund totaled \$0.474 million (modified accrual basis) as of the last audited fiscal year and represents the available and spendable portion of Mission RCD’s fund balance. The unassigned amount represents less 8.8 months of operating expenses based on actuals in 2018-2019.²¹

RCD of Greater San Diego County’s unassigned balance within its General Fund at the end of the report period totaled \$0.474 million and has changed overall by (69.6%). The end balance is equal to covering close to nine months of operating costs.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO’s review of the audited financial statement issuances by RCD of Greater San Diego County covering the five-year report period shows the District generally experienced declines in all standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. A summary of these standard measurements follow.

Standard measurements used to assess RCD of Greater San Diego County’s financial standing shows the District finished the report period trending negatively in all standard measurement categories. This includes a negative total margin in four of the five years with an overall average of (2.8%).

- RCD of Greater San Diego County’s liquidity levels are low and decreasing. The current ratio – which compares available assets against near-term obligations – decreased in four of the five years during the report period with an overall change of more than four-fifths – or (84.7%) – from 60.5 to 8.6. This ending amount reflects the District finished the report period with \$8.60 in available cash for every \$1.00 in immediate bills. The District’s days’ cash levels, similarly, decreased during the report period with an overall change of (60.7%) from 831 days to 330 days.
- RCD of Greater San Diego County’s capital levels have decreased over the report period but remain high overall and available to help cover large and/or otherwise

²¹ Actual operating expenses in 2018-2019 totaled \$1.357 million.

unplanned expenses. The debt-to-net assets – which measures the portion of the net position tied to outside financing – finished low at 1.6% while absorbing an approximate one-half increase during the report period. Similarly, the District’s debt ratio and its measurement of total liabilities against total assets finished at 8.9% despite a three-fold increase.

- RCD of San Diego County’s margin levels are very low have been decreasing with losses in four of the five years during the report period. The average total margin – the bottom line with respect to comparing overall revenues to expenses – generated during the period tallied (3.1%) with an ending amount of (6.9%).

RCD of Greater San Diego County Financial Measurements Table 7.2a Source: San Diego LAFCO								
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	60.5 to 1	830.7	2.1%	1.5%	(3.5%)	(3.5%)	227.9%	6.5
2015-2016	41.9 to 1	728.0	2.3%	0.9%	(6.2%)	(6.3%)	204.0%	7.3
2016-2017	62.9 to 1	445.1	3.6%	2.7%	5.4%	5.4%	58.6%	8.2
2017-2018	59.4 to 1	532.6	2.7%	1.6%	(4.1%)	(4.1%)	53.1%	9.4
2018-2019	8.6 to 1	326.6	8.9%	1.6%	(6.9%)	(6.9%)	35.0%	10.7
Average	44.4 to 1	572.6	3.9%	1.6%	(3.1%)	(3.1%)	140.5%	8.4
Trend	(85.8%)	(60.7%)	328.0%	43.7%	97.9%	97.9%	(84.7%)	64.3%

Current Ratio (Liquidity)

Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)

Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)

Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)

Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)

Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)

Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)

Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)

Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

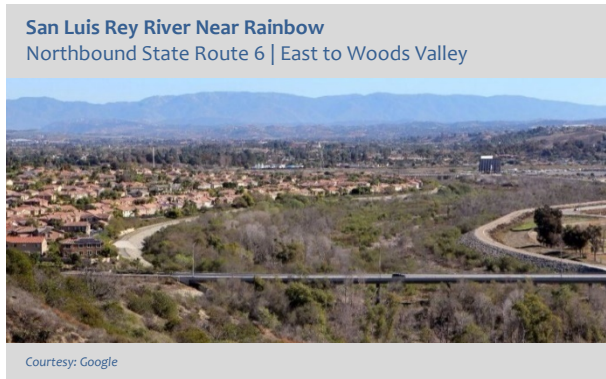
RCD of Greater San Diego County does not have recorded pension obligations.

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C. UPPER SAN LUIS REY RESOURCE CONSERVATION DISTRICT

1.0 OVERVIEW

The Upper San Luis Rey Resource Conservation District (RCD) is an independent special district formed in 1942 and the longest operating RCD in San Diego County. Formation proceedings were initiated by area farmers and ranchers in consultation with the Natural Resources Conservation Services to create a locally funded agency to assist landowners in implementing soil, water, and



San Luis Rey River Near Rainbow
Northbound State Route 6 | East to Woods Valley

Courtesy: Google

other land management practices in support of agrarian activities. Upper San Luis Rey RCD encompasses a 402-square mile jurisdictional boundary and generally overlaps with the northern San Luis Rey Watershed.²² All lands in the jurisdictional boundary are unincorporated and anchored by the communities of Pala, Pauma Valley, Rainbow (portion) Warner Springs, and Yuima. Close to one-fifth of the jurisdictional boundary also includes five American Indian reservations (La Jolla, Pala, Pauma-Yuima, Rincon, and Santa Ysabel). Governance is provided by a five-person board with members directly elected by geographic divisions or appointed by the County of San Diego Board of Supervisors in lieu of candidate filings. All members serve four-year terms. The average tenure on the Board among current members is 10 years with the longest tenured member – Oggie Watson – completing his 35th year.

Upper San Luis Rey RCD is presently organized as a limited-purpose agency with municipal service functions tied to two active categories under its principal act: (a) water conservation and (b) wildlife enhancement. Upper San Luis Rey RCD is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution, agricultural enhancement, and soil erosion functions. The primary focus of Upper San Luis Rey RCD has involved maintaining conservation easements and performing related work to protect and restore native wildlife. Upper San Luis Rey RCD more recently has partnered with other local and State agencies to create the San Luis Rey Sustainable Groundwater Agency to plan and manage basin supplies. The operating budget at the term of the report period (2018-2019) was \$0.031 million. The last audited financial statements cover 2018-2019 and show Upper San

²² The San Luis Rey Watershed lies in the northern portion of the County and encompasses a land area of about 560 square miles and encompasses parts of the City of Oceanside, City of Vista, Fallbrook, Pala, Valley Center, and Palomar Mountain. Over half of the watershed remains undeveloped and is largely agricultural with green groves, slopes and canyons. The watershed neighbors Santa Margarita Watershed to the north and Carlsbad and San Dieguito Watersheds to the south. San Luis Rey Watershed supplies area residents with potable water sourced from Turner Reservoir and Lake Henshaw, as well as a number of underground aquifers.

Luis Rey RCD's net position totaling \$0.346 million with the unrestricted portion tallying \$0.179 million. This latter amount reflects the unassigned monies in the General Fund and translates to covering more than 124 months of operating expenses based on recent actuals.

LAFCO independently estimates the fulltime resident population within Upper San Luis Rey RCD is 11,735 as of the term of this report period and accommodated through the construction of 4,615 current housing units in the District. Most of the estimated population – notably – lies within the unincorporated community of Pauma Valley. It is also projected the estimate of fulltime residents represents an overall increase of 811 since 2010 – or 90.1 annually – with a resulting annual growth rate of 0.78%, which is slightly below the corresponding countywide rate of 0.81%. The median household income in the District is \$48,822 based on the current five-year period average and nearly two-fifths below the countywide average of \$66,529.

2.0 BACKGROUND

2.1 Community Development

Upper San Luis Rey RCD's service area began its present-day development in the mid-1800s in parallel with the creation and awards of land grants – or ranchos – throughout California by the Mexican government. Rancho Pauma covers a sizeable portion of the region and was granted to Jose Antonio Serrano in 1844 and preceded a series of subsequent land divisions and arrival of permanent settlers.²³ The region also was introduced to emigrants beginning in the 1850s as a result of the Overland Mail Stagecoach Line with a stop at Warner Ranch. Initial development of the region primarily involved ranching with some local-serving agriculture with the former highlighted by cattle and sheep. The region's Native American population also remained prominently present during this period with several Luiseno Indian bands located along the San Luis Rey River and anchored by the earlier establishment of the Mission San Antonio del Pala in 1816.

Warner Ranch on the Way to Pala |
Overland Mail Stagecoach Line
Circa 1903

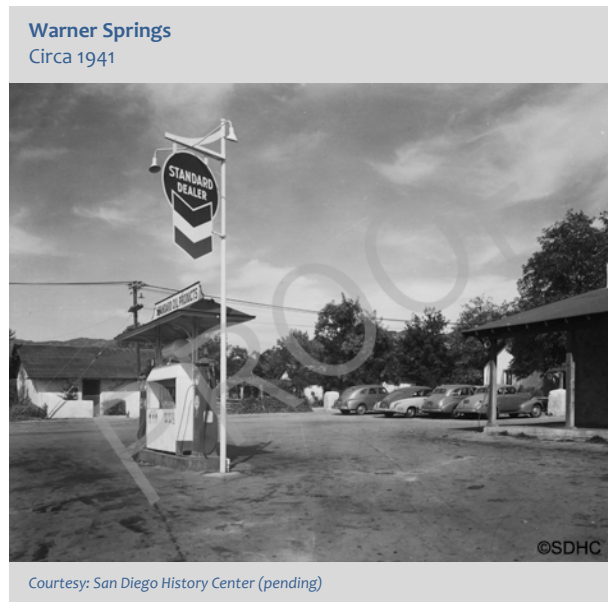


Courtesy: San Diego History Center

²³ The word "pauma" is a Native American phrase and translates to "I bring water" or "a place where there is water."

The first official census performed for the Upper San Luis Rey region estimated the population at 603 in 1890 and generally divided between the communities of Warner Springs and Yuima. The population increased by nearly triple during the next 10 years to an estimated 1,736 in the 1900 census and primarily attributed to an influx of Native American band members (Pala and Pauma) moving into the region as a result of having to abandon villages to the west along the San Luis Rey River due to the incorporation and development of Oceanside. It was also during this period agricultural activities in the region

began to intensify. This intensification was aided by water diversions from the San Luis Rey River along with transportation improvements allowing farmers to bring products more directly to market. The result was a substantive expansion in family farming in the region heading towards the century midpoint and headlined by lemon groves and other citrus crops.



2.2 Formation Proceedings

Upper San Luis Rey Soil Conservation District's (later renamed Upper San Luis Rey RCD) formation was petitioned by area landowners in early 1942. The petition paralleled an emerging statewide movement to establish create local agencies with a dedicated property tax base to advance soil conservation services in partnership with the Natural Resource Conservation Services' regional offices. Formation proceedings were overseen by the County of San Diego's Boundary Commission – a precursor to the creation of LAFCOs – and approved subject to voter confirmation of landowners. An election was subsequently held in May 1942 with landowners approving the formation on a vote of 71 to 0 along with electing an initial board of directors.²⁴ The effective date of the formation was June 1, 1942.

2.3 Post Formation Activities

A summary of notable activities undertaken by Upper San Luis Rey RCD and/or affecting the District's service area following formation in 1945 is provided below.

²⁴ The inaugural Board consisted of Jack Adams, Howard Baily, Orlando Bergman, H.D. Curtis, and W.F. Wright.

- LAFCO adopts Upper San Luis Rey RCD’s sphere of influence in June 1986. The sphere was established with a “larger-than-agency” designation to include several non-jurisdictional islands as well as adjacent northern land to Riverside County.
- The Sustainable Groundwater Management Act (SGMA) becomes law on January 1, 2015 and requires public agencies to manage all high and medium priority basins as identified by the State Water Resources Control Board. The subsequent identification process identifies the San Luis Rey Valley Groundwater Basin as a medium priority basin.
- Upper San Luis Rey RCD enters into an agreement with the County of San Diego, Pauma Valley Community Services District, and Yuima Municipal Water District to establish the San Luis Rey Groundwater Sustainability Agency (GSA) in June 2017.
- LAFCO updates and affirms Upper San Luis Rey RCD’s sphere of influence in March 2013 with no changes.
- The State Water Resources Control Board awards a \$1.3 million grant to fund the initial operation of the San Luis Rey GSA and development of a management plan over the basin in April 2018. Yuima MWD agrees to be lead agency in the GSA.
- The County of San Diego withdraws from the San Luis Rey GSA in January 2019 and the remaining agencies – Upper San Luis Rey RCD, Pauma Valley Community Services District, and Yuima Municipal Water District – enter into a new agreement regarding the governance and operation of the San Luis Rey GSA.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

Upper San Luis Rey RCD’s existing jurisdictional boundary spans approximately 402 square miles and covers 257,280 unincorporated acres (parcels and public rights-of-ways). The County of San Diego is the sole land use authority within the jurisdictional boundary with associated planning provided in the County General Plan last updated in 2011 and further prescribed in several community plans as detailed in the accompanying footnote.²⁵ The primary land use within the jurisdictional boundary is commercial agriculture

Upper San Luis Rey RCD’s jurisdictional boundary spans 402 square miles and covers 9.4% of all of San Diego County. All of the jurisdictional boundary is unincorporated and overlaps the land use authority of the County of San Diego.

²⁵ The following County Community Plans collectively encompass the Upper San Luis Rey RCD jurisdictional boundary: Rainbow; Fallbrook;

and low to moderate residential estate uses focused in the Pala, Pauma Valley, Warner Springs, and Yuima communities along with a small amount of local-serving retail. There are also regional-serving commercial uses in the area and include Pauma Country Club, and Palomar Observatory. Five American Indian reservations are also within the jurisdictional boundary (La Jolla, Pala, Pauma-Yuima, Rincon, and Santa Ysabel). Overall, there are currently 5,597 registered voters in the District.

Upper San Luis Rey RCD Boundary Breakdown By Land Use Authority Table 3.1a (Source: Esri and San Diego LAFCO)				
Land Use Authority	Assessor Parcel Acres	Total Assessor Parcel Acres	% of Total Assessor Parcel Acres	Total Registered Voters
County of San Diego	256,350	256,350	100%	5,597

Total assessed value (land and structure) within Upper San Luis Rey RCD is set at \$1.47 billion as of January 2020 and translates to a per acre value ratio of \$0.006 million. The former amount – \$1.47 billion – further represents a per capita value of \$0.125 million based on the estimated fulltime population in Upper San Luis Rey RCD of 11,735. Upper San Luis Rey RCD receives approximately one hundred thousandths (1/100,000) of the annual 1.0% of property tax collected in the District.

Upper San Luis Rey RCD receives \$0.00000145 cents for every \$1.00 dollar in property tax collected within its jurisdictional boundary. The amount received from Upper San Luis Rey RCD at the end of the fiscal year was \$0.008 million.

The jurisdictional boundary is currently divided into 6,210 assessor parcels spanning 256,350 acres. (The remaining jurisdictional acreage consists of public right-of-ways or waterways.) More than six-sevenths – 86.8% – of the assessor parcel acreage is under private ownership with five-eighths of this amount having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private assessor acreage in Upper San Luis Rey RCD is undeveloped and consists of 2,041 vacant parcels that collectively total 34,766 acres, which equals 13.5% of the entire District.

There are 2,041 privately owned parcels within Upper San Luis Rey RCD that remain vacant and span 34,766 acres; an amount that represents more than 13.5% of the entire District.

Close to seven-tenths – or 117,575 acres – of lands within the jurisdictional boundary qualify as a disadvantaged unincorporated community under LAFCO policy.

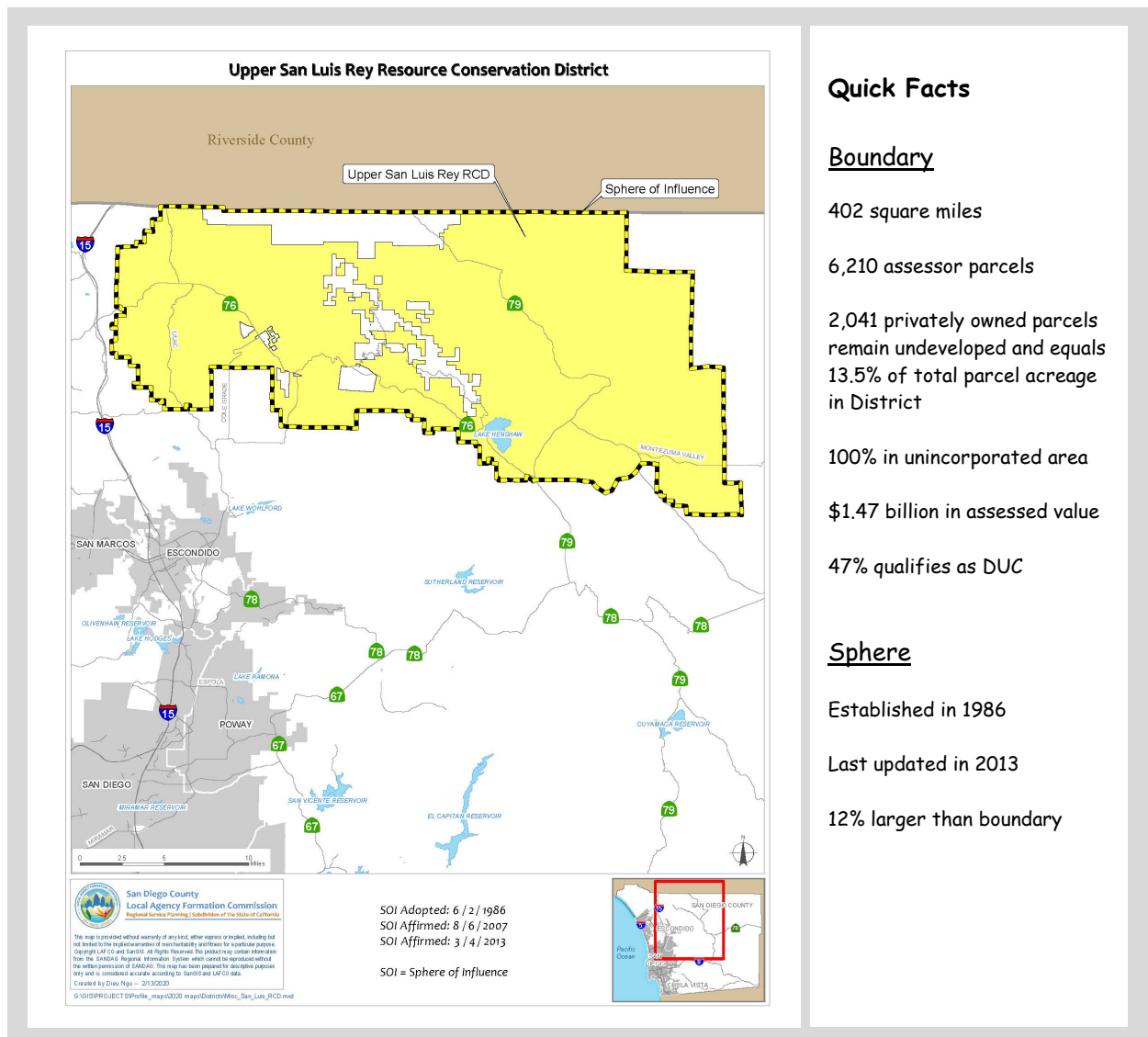
Bonsall; Valley Center; Pala-Pauma; Palomar; North Mountain; Desert; and Borrego Springs.

3.2 Sphere of Influence

Upper San Luis Rey RCD’s sphere of influence was established by LAFCO in June 1986 and last reviewed and affirmed in March 2013. The sphere is categorized under LAFCO policy as “larger-than-agency” and includes approximately 31,000 acres of non-jurisdictional lands; an amount that would expand the District by one-tenth if annexed. These non-jurisdictional lands within the sphere constitute 30,715 acres and mostly consists of non-jurisdictional corridors or islands. No jurisdictional lands lie outside the District sphere.

Upper San Luis Rey RCD’s sphere of influence is 11.9% larger than the District with the inclusion of 30,715 non-jurisdictional acres.

3.3 Current Boundary and Sphere of Influence Map



4.0 DEMOGRAPHICS

4.1 Population and Housing

Upper San Luis Rey RCD’s total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 11,735 as of the term of the five-year report period. This amount represents 0.35% of the countywide total. It is also estimated the fulltime population has risen overall by 7.4% from 10,924 in 2010 and the last census reset and produces an average increase of 90 new residents each year. The annual average change of 0.78% mirrors the corresponding countywide growth rate of 0.81%. It is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 12,204 by 2024. The jurisdiction has a current population density of 1 resident for every 21 acres and underlies the substantively rural character of the jurisdictional boundary.

It is estimated there are 11,735 fulltime residents within Upper San Luis Rey RCD at the end of the report period and equals less than 0.5% of the entire county amount. It is also projected the fulltime population will increase consistent with recent trends – or 0.78% annually – and reach 12,204 by 2024.

Upper San Luis Rey RCD Resident Population				
Table 4.1a (Source: Esri and San Diego LAFCO)				
Factor	2010	2019	2024 (projected)	Annual Change %
Upper San Luis Rey RCD	10,924	11,735	12,204	0.78%
San Diego County	3,095,264	3,333,975	3,460,447	0.81%

There are 4,615 residential housing units within Upper San Luis Rey RCD as of the report period term. This amount has increased by 221 – or 24.6 annually – since 2010. With respect to current housing characteristics within the District, 64.8% are owner-occupied, 22.2% are renter-occupied, and the remaining 13.0% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.6 and has increased by 3.0% from 2.5 over the preceding five-year period. The mean monthly housing cost in Upper San Luis Rey RCD has decreased by (10.6%) from \$1,048.67 to \$937.89 based on the most recent five-year period averages. The mean monthly housing costs also remains significantly below the countywide average of \$1,578.

Housing production in Upper San Luis Rey RCD totals 4,615 dwelling units as of the term of the report period. This includes the addition of 221 units since 2010. The average monthly housing cost in Upper San Luis Rey RCD is \$937.89, which is two-fifths – or (41%) – lower than the countywide average.

Upper San Luis Rey RCD Housing Breakdown

Table 4.1b (Source: American Community Survey and San Diego LAFCO)

Jurisdiction	2010 Housing Units	2019 Housing Units	Change	2010 Monthly Housing Cost	2019 Monthly Housing Cost	Change
Upper San Luis Rey RCD	4,394	4,615	5.0%	1,048.67	937.89	(10.6%)
San Diego County	1,164,766	1,236,184	6.1%	\$1,540.00	\$1,578.00	2.5%

4.2 Age Distribution

The median age of residents in Upper San Luis Rey RCD is 46.9 based on the current five-year period average. This amount shows the population is experiencing a turnover and getting slightly younger with the median age experiencing an overall change of (3.1%) from 48.3 during the preceding five-year period average. The current median age in Upper San Luis Rey RCD, however, remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up nearly one-half of the estimated total population at 48.2%.

Residents within Upper San Luis Rey RCD tend to be older with a medium age of 46.9; an amount that is more than one-third higher than the countywide average of 35.3. Also close to one-half – 48.2% – of the residents are aged within the prime working group of 25-64.

Upper San Luis Rey RCD Resident Age Breakdown

Table 4.2a (Source: American Community Survey and San Diego LAFCO)

Service Area	2010 Median Age	2018 Median Age	Change	2010 Prime Working Age	2018 Prime Working Age	Change
Upper San Luis Rey RCD	48.3	46.9	(3.1%)	54.76	48.22	(12.0%)
San Diego County	34.6	35.3	2.0%	53.4%	47.0%	(12.0)%

4.3 Income Characteristics

The median household income in Upper San Luis Rey RCD is \$48,822 based on the current five-year period average. This amount shows fulltime residents are receiving less pay with the median income experiencing an overall decrease of (6.3%) from the preceding five-year period average of \$52,129. The current median household income in Upper San Luis Rey RCD is also more than one-fifth lower than the current countywide median of \$66,529. Separately, the current average rate of persons living below the poverty level in Upper San Luis Rey RCD is 19.2% and has increased by nearly two-thirds – or 65.0% – over the earlier five-year period and substantively above the countywide rate of 14%.

Upper San Luis Rey RCD residents' average median household income has experienced a moderate decrease in recent years and is currently \$48,822. This amount is more than one-fifth lower than the countywide median income \$66,529. The rate of persons living below the poverty rate has also increased by nearly two-thirds to 19.2% and well above the countywide rate of 14.0%.

Upper San Luis Rey RCD Resident Income Breakdown

Table 4.3a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011		2012-2016		2007-2011		2012-2016	
	Median HH Income	Median HH Income	Change	Poverty Rate	Poverty Rate	Change		
Upper San Luis Rey RCD	\$52,129	\$48,822	(6.3%)	11.6%	19.2%	65.0%		
San Diego County	\$63,857	\$66,529	4.2%	13.0%	14.0%	7.7%		

4.4 Socioeconomic Indicators

Unemployment within Upper San Luis Rey RCD is at 6.2% based on the current five-year period average. This amount represents an overall decrease of (13.0%) compared to the previous five-year average though still above the corresponding countywide tally of 4.9%. Educational levels as measured by adults 25 or older with bachelor degrees has slightly regressed with the overall rate decreasing by (5.3%) over the previous five-year period from 21.2% to 20.1% and continues to fall below the countywide rate of 36.5%. Slightly over one-fourth– or 25.2% – of the population currently collects retirement income. The non-English speaking percentage of the population has decreased during this period from 7.7% to 6.2%; an overall difference of (19.5%).

Slightly more than one-fourth of RCD of Greater San Diego County residents have undergraduate degrees. The unemployment rate within the District is nearly double the countywide amount.

Upper San Luis Rey RCD Socioeconomic Indicators Breakdown

Table 4.4a (Source: American Community Survey and San Diego LAFCO)

Service Area	2007-2011		2012-2016		2007-2011		2012-2016	
	Unemployment Rate	Unemployment Rate	Change	Non English	Non English	Change		
Upper San Luis Rey RCD	7.1	6.2	(13.0%)	7.7%	6.2%	(19.5%)		
San Diego County	5.6%	4.9%	(12.5%)	16.1%	15%	(6.8%)		

5.0 ORGANIZATION

5.1 Governance

Upper San Luis Rey RCD's governance authority is established under the Resource Conservation Districts Law and codified under Public Resources Code Section 9151 - 9491. This principal act empowers Upper San Luis Rey RCD to provide a moderate range of municipal service functions involving natural resource protections and improvements upon approval by LAFCO. Upper San Luis Rey RCD is currently authorized to provide two active categories under its principal act: (a) water conservation and (b) wildlife enhancement. All other service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed hearing before Upper San Luis Rey RCD would be allowed to initiate. Similarly, should Upper San Luis Rey RCD seek to divest itself of directly

providing an active service function, it would need to receive LAFCO approval at a noticed public hearing. A list of active and latent Upper San Luis Rey RCD service functions follows.

Active Service Functions

- Wildlife Enhancement
- Water Conservation

Latent Service Functions

- Soil Erosion
- Water Distribution
- Agricultural Enhancement
- Erosion Stabilization

Governance of Upper San Luis Rey RCD is independently provided by a five-member Board of Directors. Each member of the Board is either elected by registered voters or appointed by the County of San Diego Board of Supervisors in the event no candidates file for election. All Board members serve staggered four-year terms with a rotating president system. The Board sets its regular meetings for every second Thursday at 12:00pm at Yuima Municipal Water District located at 34928 Valley Center Road in Pauma Valley (92061). Directors do not receive per diems and serve without compensation. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

Upper San Luis Rey RCD Current Governing Board Roster Table 5.1a (Source: Mission RCD)			
Member	Board Position	Years on the Board	Background
Andrew Lyall	President	9	Farmer
Shasta Gaughen	Vice President	9	Environmental Director
Oggie Watson	Treasurer	35	Retired General Manager
Michael Perricone	Director	1	Farmer
Greg Kamin	Director	1	Farmer

5.2 Administration

Upper San Luis Rey RCD operates without dedicated and/or separate administration. The five-member Board itself directly oversees the day-to-day activities of the District and does not have an appointed or delegated General Manager. The District utilizes two contractors to assist the Board in administration and operation services. Yuima Municipal Water District is contracted to provide bookkeeping and general administrative support – including serving as the contact point for public inquiries.



Shay O’Keefe – a conservation biologist – is contracted to maintain the District’s field operations.

The District also contracts as needed for other services – including for legal services.

6.0 MUNICIPAL SERVICES

Upper San Luis Rey RCD is currently authorized to provide two distinct municipal service functions consistent with its principal act: (a) water conservation and (b) wildlife enhancement.²⁶ These service functions are provided through a part-time equivalent staffing of 0.25 at the end of the report period. Overall staffing levels have not changed over the corresponding 60-months and further detailed in the accompanying footnote.²⁷ A summary analysis of the two active functions follows with respect to applicable capacities, demands, and performance during the five-year report period.

Upper San Luis Rey RCD provides two active service functions under its principal act: water conservation and wildlife enhancement. These categories are identified by LAFCO consistent with its responsibilities under statute to classify the type and location of active special district functions and related classes.

6.1 Water Conservation

Upper San Luis Rey RCD's water conservation service function involves economizing water resources for maximum beneficial uses. Current activities focus on managing local groundwater resources through the District's participation in the San Luis Rey GSA. Additional details follow.

San Luis Rey GSA

Upper San Luis Rey RCD is a member of the relatively new San Luis Rey GSA and its statutory task to develop and implement a plan to achieve long-term groundwater sustainability in the Pauma Valley Subbasin upstream from Frey Creek. The San Luis Rey GSA was established in June 2017 and initially included Upper San Luis Rey RCD, Pauma Valley Community Services District, Yuima Municipal Water District, and the County of San Diego as lead manager. The County subsequently withdrew from the San Luis Rey GSA in January 2019 with Yuima Municipal Water District assuming the lead manager. The San Luis Rey GSA recently circulated a request for qualifications for preparing a groundwater sustainability plan and proceeded to contract with Geosciences, Inc (Claremont) in September 2020. The associated scope of work outlines 11 distinct phases from data collection to project management and expected to be completed by the January 1, 2022 deadline prescribed under statute. Funding for the San Luis Rey GSA to date is drawn from two grants totaling \$1.3 million and detailed in the associated footnote.

²⁶ Upper San Luis Rey RCD is also authorized – subject to LAFCO approving latent power expansions – to provide water distribution and erosion stabilization.

²⁷ Fulltime equivalent staffing levels at the start of the five-year report period was .25.

6.2 Wildlife Enhancement

Upper San Luis Rey RCD's wildlife enhancement service function involves improving the natural landscape for ecological purposes. Current activities focus on habitat restoration through the management of conservation agreements. Additional details follow.

Habitat Restoration (Invasive Species Removal)

This service activity involves mitigating the negative effects on the natural environment and loss of biodiversity due to invasive species. Common invasive species in the San Luis Rey RCD jurisdictional boundary include castor bean, standing tree tobacco, and tamarisk. activities are performed year-round by the District and done so currently as part of two conservation easements with the service of a contract biologist with an emphasis to protect the Arroyo Toad. Details on each conservation easement follows.

- San Luis Rey Arroyo Toad Preserve Conservation Easement

This contract relationship was established in September 2007 with the United States Fish and Wildlife Service to manage and preserve an approximate 20-acre area located within the San Luis Rey River basin and natural habitat for the Arroyo Toad. The conservation area is part of the Fish and Wildlife Service's 10,000-acre area within the San Luis Rey River basin. The current contract provides the District a \$150,000 endowment that extends in perpetuity. The investment returns of this endowment provided the necessary funding for the required agreement activities.

- Pauma Valley Country Club Easement:

This contract relationship was established in December 2012 with the United States Army Corp of Engineers to restore, enhance, and protect an approximate 24-acre area within in the Pauma Valley Country Club held by the federal government. Additional details on related activities is pending.

A third conservation agreement is scheduled to begin in 2021 and intended to mirror the San Luis Rey Arroyo Toad Preserve Conservation Easement with the Fish and located in the Pauma Estates development. The pending contract will provide the District a \$0.265 million endowment that extends in perpetuity.

7.0 FINANCES

7.1 Financial Statements

Upper San Luis Rey RCD contracts with an outside accounting consultant to prepare an annual report reviewing the District’s financial statements in accordance with established governmental accounting standards. This includes auditing Upper San Luis Rey RCD’s statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing the District’s short and long-term fiscal health in delivering its active service functions: water conservation and wildlife enhancement. The current outside consultant is Sonnenberg and Company (San Diego).

Upper San Luis Rey RCD’s most recent audited financial statements for the five-year report period were issued for 2018-2019.²⁸ These statements show Upper San Luis Rey RCD experienced a moderate improvement over the prior fiscal year as the District’s overall net position (regular accrual basis) increased by 3.9% from \$0.333 million to \$0.346 million. Underlying this change in net position is a net surplus and marked by a total margin gain of 44.2% during the fiscal year. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	\$346,061
Liabilities	\$0
Outflow/Inflow	\$0
Net Position	\$346,061

Agency Assets

Upper San Luis Rey RCD’s audited assets at the end of 2018-2019 totaled \$0.346 million and is 13.4% higher than the average year-end amount of \$0.321 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented nearly all of the total amount – or \$0.340 million – and largely tied to cash and investments. Assets classified as non-current make up the remaining total – or \$0.006 million and entirely categorized as depreciable capital facilities that include land, buildings, road signs, and improvements. Overall assets have increased by 16.0% over the corresponding 60-month period.

Upper San Luis Rey RCD’s assets have increased by nearly one-fifth – or 16.0% – during the report period. The overall increase is primarily attributed to increasing cash and investments from \$0.287 to \$0.336 million over the 60-month period.

²⁸ The audit for 2018-2019 was issued by Sonnenberg & Company on June 30, 2019.

Upper San Luis Rey RCD Audited Assets

Table 7.1a | Source: Upper San Luis Rey RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	289,416	301,277	310,950	326,372	340,349	17.6%	313,673
Non-Current	8,837	8,056	7,275	6,493	5,712	(35.4%)	7,275
Total	\$298,253	\$309,333	\$318,225	\$332,865	\$346,061	16.0%	\$320,947

Agency Liabilities

Upper San Luis Rey RCD ended 2018-2019 without any reported liabilities. Overall, the average amount of liabilities during the five-year report period was \$400 and attributed to having accounts payable debts at the close of 2014-2015 and 2017-2018.

Upper San Luis Rey RCD's liabilities remained minimal during the report period with a one-year high amount of \$1,600. The District finished the report period without any short or long-term debts.

Upper San Luis Rey RCD Audited Liabilities

Table 7.1b | Source: Upper San Luis Rey RCD

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Current	1,600	-	-	400	-	(100%)	400
Non-Current	-	-	-	-	-	n/a	-
Total	\$1,600	-	\$	\$400	-	(100%)	400

Net Position

Upper San Luis Rey RCD's audited net position or equity at the end of 2018-2019 totaled \$0.346 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 8.1% higher than the average year-end sum of \$0.320 million documented during the five-year report period. Less than one-tenth of the ending net position – or \$0.006 million – is tied to capital assets. The remainder is divided between restricted and unrestricted. Overall, the net position Upper San Luis Rey RCD has increased by 17.2% over the corresponding 60-month period and attributed to consistent annual surpluses.

Upper San Luis Rey RCD's net position is trending positively during the report period with gains each year. The net position has improved overall from \$0.295 to \$0.346 million; a difference of 17.2%.

Upper San Luis Rey RCD Audited Net Position Table 7.1c Source: Upper San Luis Rey RCD							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	5-Year Trend	5-Year Average
Invested in Capital	8,837	8,056	7,275	6,493	5,712	(35.4%)	7,275
Restricted	157,451	160,090	158,833	160,373	161,692	2.7%	159,688
Unrestricted	128,985	141,187	152,117	152,117	178,657	38.5%	150,613
Total	\$295,273	\$309,333	\$318,225	\$318,983	\$346,061	17.2%	\$317,575

Upper San Luis Rey RCD maintains two active funds – General and Rancho Corrido Endowment – underlying the net position. The General Fund covers general governmental activities and ended the report period with unassigned balance of \$0.179 million and represents the available and spendable portion of the District’s fund balance. The unassigned amount represents 124 months of operating expenses based on actuals in 2018-2019.²⁹

The unassigned balances within the General Fund at the end of the report period totaled \$0.179 million and reflects an overall change during the 60-months of 38.5%. The end balance is equal to covering 124 months of operating costs.

7.2 Measurements | Liquidity, Capital, and Margin

LAFCO’s review of the audited financial statement issuances by Upper San Luis Rey RCD covering the five-year report period shows the District experienced positive improvements in most of the standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. A summary of these standard measurements follow.

Standard measurements used to assess Upper San Luis Rey RCD’s financial standing shows the District finished the report period with positive capital and margin levels. However, liquidity levels have either declined and/or remain low and create stresses on cash-flow and generate added importance on finishing with net surpluses.

- Upper San Luis Rey RCD’s liquidity levels are exceedingly high and have been increasing. The District’s days’ cash ratio finished the report period at 122,677 and reflects available cash to cover current expenses over the next 336 years or 4,089 months. This ratio has also increased by 46.5% during the report period.
- Upper San Luis Rey RCD’s capital levels remain exceedingly high and have improved during the report period with the District finishing without any obligations and memorialized in a 0.0% debt ratio. This advantageously positions the District to secure outside financing to help cover large and/or otherwise unplanned expenses.

²⁹ Actual operating expenses in 2018-2019 totaled \$0.017 million.

- Upper San Luis Rey RCD's margin levels are high and been increasing with surpluses in each year during the report period. The average total margin – the bottom line with respect to comparing overall revenues to expenses – generated during the period tallied 35.8% with an ending amount of 44.2%.

Upper San Luis Rey RCD Financial Measurements

Table 7.2a | Source: San Diego LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	180.9 to 1	5101.2	1.0%	0.5%	32.7%	32.7%	60.3.7%	11.4
2015-2016	37.4 to 1	4925.9	0.0%	0.0%	38.0	38.0	615.0%	10.3
2016-2017	n/a	4118.3	0.0%	0.0%	24.2%	24.2%	544.6%	13.4
2017-2018	815.9 to 1	6053.2	0.12%	0.0%	41.3%	41.3%	819.1%	14.4
2018-2019	n/a	7474.9	0.0%	0.0%	44.2%	44.2%	1039.1%	15.4
Average	n/a	5534.7	0.2%	0.1%	35.8	35.8	724.3%	13.0
Trend	n/a	46.5%	(100%)	(100%)	35.2%	35.2%	72.1%	35.1%

Current Ratio (Liquidity)

Compares available assets against near-term obligations; the minimum desirable ratio is 1.0 and means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)

Measures the number of days the agency can fund normal operations without any new cash income; an appropriate minimum threshold is 180 days. This measurement focuses on immediate cash available to the agency in comparison to the current ratio.

Debt Ratio (Capital)

Measures the relationship between the agency's total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)

Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)

Measures the bottom line of the agency with respect to comparing all revenues to all expenses; a positive percentage is desirable within the caveat capital improvement expenditures may appropriately result in a negative percentage in individual years.

Operating Margin (Margin)

Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans; a consistent positive percentage shows the agency has established a structured budget.

Operating Reserves Ratio (Structure)

Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)

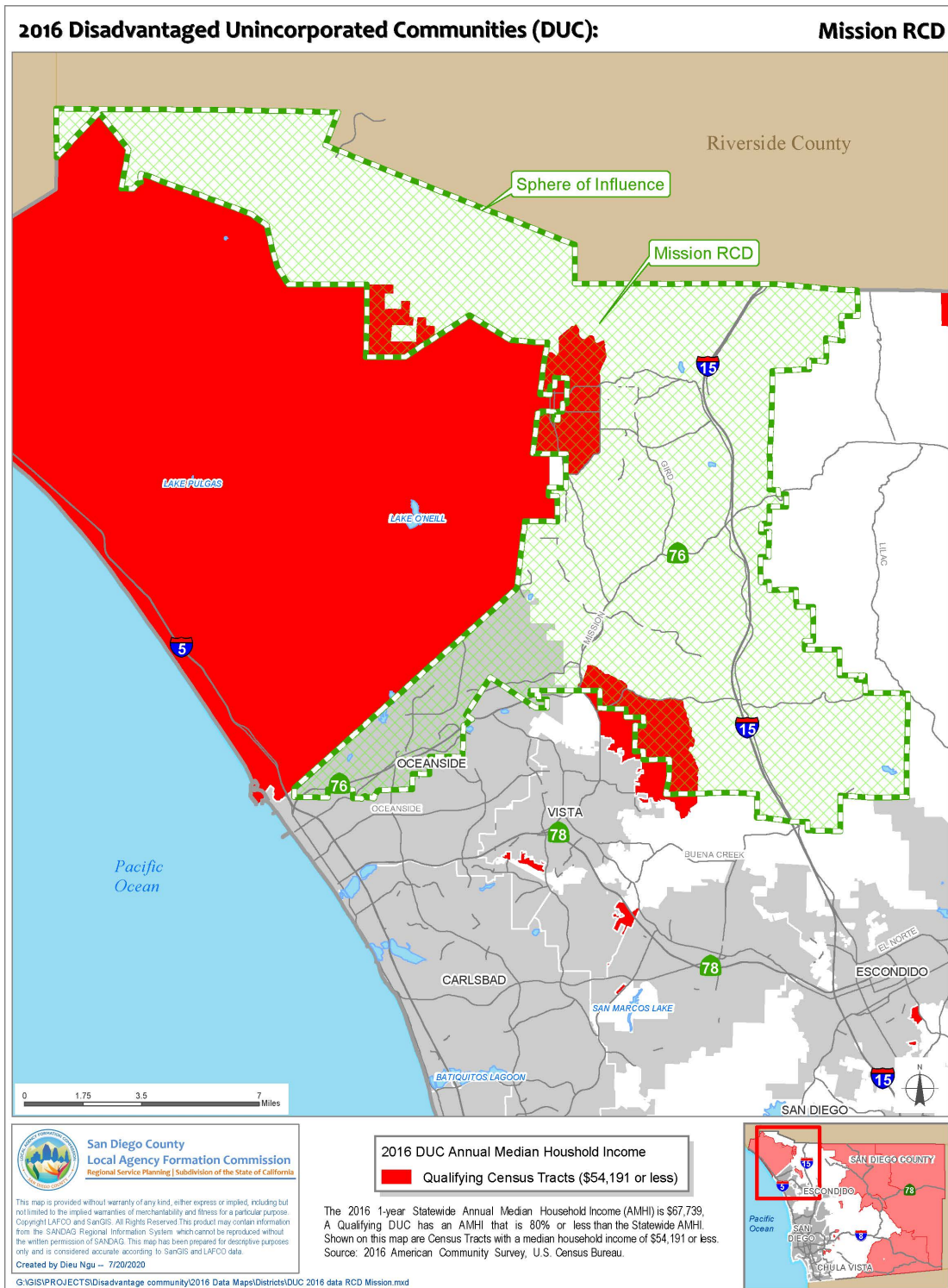
Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.3 Pension Obligations

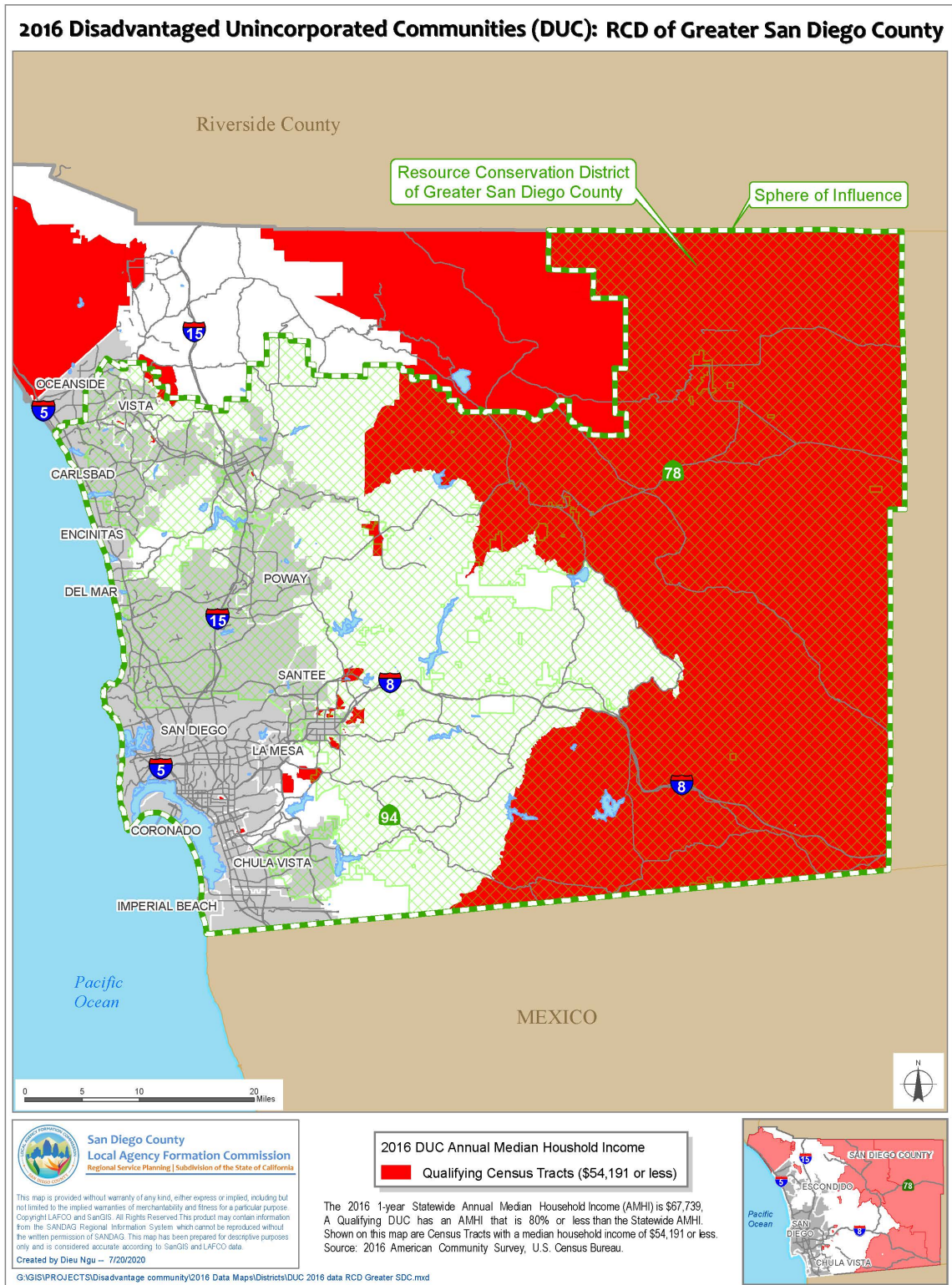
Upper San Luis Rey RCD does not have recorded pension obligations.

Appendix A
Disadvantaged Unincorporated Communities

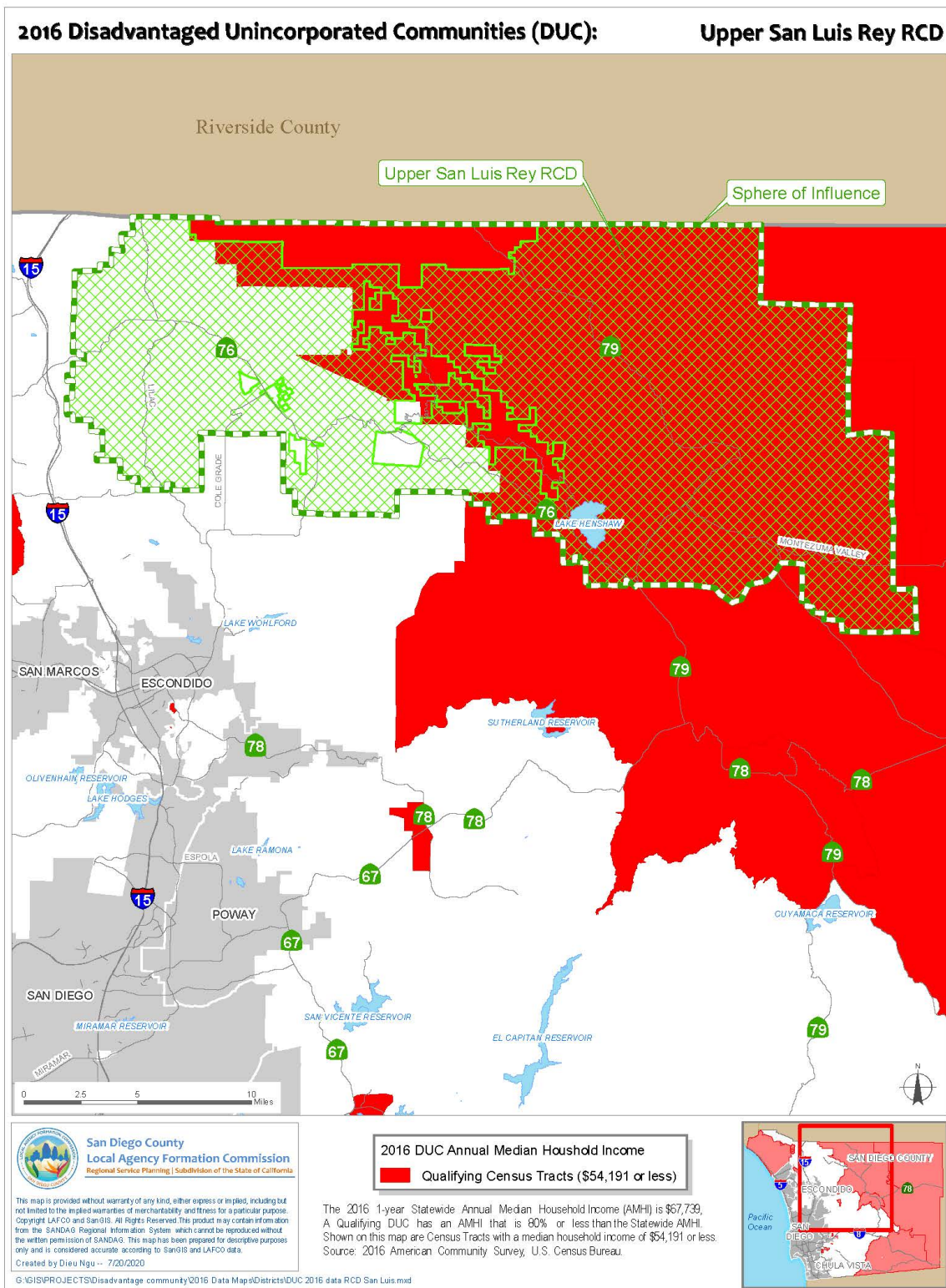
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Appendix B Primary Sources

Agency Contacts

Mission Resource Conservation District

Darcy LaHaye, General Manager

Courtney Provo, General Manager (Former)

Resource Conservation District of Greater San Diego County

Sheryl Landrum, General Manager

Upper San Luis Resource Conservation District

Amy Reeh, Interim General Manager of Yuima Municipal Water District

Websites

American Community Survey / Demographic Information

www.census.gov

California Association of Resource Conservation Districts

www.carcd.org

California Department of Conservation

www.conservation.ca.gov/DLRP/rcd

Publications / Documents

County of San Diego General Plan and Adopted Community Plans

San Diego LAFCO Background Files and Agency Questionnaires

Mission Resource Conservation District Annual Financial Reports

Resource Conservation District of Greater San Diego County Annual Financial Reports

Upper San Luis Rey Resource Annual Financial Reports

A complete source list is available by contacting San Diego LAFCO.

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