



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

SPECIAL MEETING AGENDA SPECIAL DISTRICTS ADVISORY COMMITTEE

Friday, December 18, 2020 9:30 A.M.
VIDEOCONFERENCE ATTENDANCE ONLY

Chair Kimberly Thorner
Vice Chair Vacant

Consistent with the Governor's Executive Order N-29-20, the December 18, 2020 meeting will occur remotely through videoconferencing. The public may watch the meeting live using the link on our website home page (www.sdlafco.org).

The public may submit comments remotely and/or register to speak by:

1. Submitting an eComment at www.sdlafco.org prior to 2:00 P.M. on Thursday, December 17, 2020
 - These comments will be distributed and posted online ahead of the meeting
 - This includes the option to request a call-in to directly comment during the meeting
2. Emailing erica.blom@sdcounty.ca.gov during the meeting on Friday, December 18, 2020
 - These comments will be read by staff into the record and subject to a three-minute limit

1. 9:30 A.M. – CALL TO ORDER BY CHAIR

2. ROLL CALL BY COMMITTEE CLERK

3. PUBLIC COMMENT

4. EXECUTIVE OFFICER REPORT

5. MEMBER REPORTS

6. CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. Any member of the Committee can request discussion.

a) Approval of Meeting Minutes | September 18, 2020 (action)

The Committee will consider draft summary minutes prepared for the last meeting held on September 18, 2020. Staff recommends the Committee approve the summary minutes with any changes or clarifications as needed.

CONSENT ITEMS CONTINUED...

b) Progress Report on Adopted FY2020-2021 Workplan (information)

The Committee will receive a progress report on accomplishing specific projects included in the adopted workplan for the current fiscal year FY2020-2021. Information only.

c) Update on Current and Pending Proposals (information)

The Committee will receive a report identifying current proposals on file with the Commission and pending submittals anticipated in the near-term. Information only.

7. BUSINESS ITEMS

a) Draft Municipal Service Review on RCDs (Discussion)

The Committee will receive a presentation from staff on the Commission's draft municipal service review on resource conservation districts. The presentation will focus on key themes and recommendations identified in the draft and next steps in the municipal service review process. The item is for discussion and feedback.

Staff Contact: Linda Heckenkamp, Analyst II

**b) Proposed Amendment to Statute |
Clarifying Exception Determination for Out-of-Agency Services by Contract (Discussion)**

The Committee will receive a presentation from staff on the Commission's direction to pursue an amendment to Government Code 56133 to clarify the process for determining exceptions from LAFCO review and approval for out-of-agency services by contract. The presentation will address current concerns in statute and the relief associated with the proposed amendment. The item is for discussion and feedback.

Staff Contact: Priscilla Allen, Analyst I

c) Selection of Chair and Vice Chair for 2021 (Action)

The Committee will consider appointing officers – Chair and Vice Chair – for the upcoming calendar year. Action item.

Staff Contact: Ruth Arellano, Committee Clerk

8. COMMITTEE REQUESTS FOR FUTURE ITEMS

Attest to Posting:

Ruth Arellano
Committee Clerk

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

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
SPECIAL DISTRICTS ADVISORY COMMITTEE
SPECIAL MEETING
SEPTEMBER 18, 2020**

ROLL CALL

Chair Kimberly Thorner called the meeting to order at 9:31 a.m. and then requested a roll call from the Committee Clerk.

Committee Members Present:

Chair Kimberly Thorner (Olivenhain MWD); Gary Arant (Valley Center MWD); Jack Bebee (Fallbrook PUD); Bill Haynor (Whispering Palms CSD); Tom Kennedy (Rainbow MWD); James Gordon (Deer Springs FPD); Al Lau (Santa Fe Irrigation District); Fred Cox (Rancho Santa Fe FPD); Mike Sims (Bonita-Sunnyside FPD); Mark Robak (Otay WD); Augie Scalzitti (Padre Dam MWD); Joel Scalzitti (Helix WD); Sheryl Landrum (Resource Conservation District of Greater San Diego County); Robert Thomas (Pomerado CD); and Hector Martinez (South Bay ID).

Committee Members Absent:

Vice Chair Julie Nygaard (Tri-City HCD).

The following members of LAFCO staff were present at roll call: Executive Officer Keene Simonds; Chief Policy Analyst Robert Barry; Analyst Linda Heckenkamp; Analyst Priscilla Allen; GIS Analyst Dieu Ngu; Commission Clerk Tamaron Lockett; Administrative Assistant Erica Blom and Executive Assistant Ruth Arellano serving as Committee Clerk.

PLEDGE OF ALLEGIANCE

Mike Sims (Bonita -Sunnyside FPD) led the Pledge of Allegiance.

EXECUTIVE OFFICER REPORT

Executive Officer, Keene Simonds indicated that the meeting was being live cast on YouTube and Zoom. He also indicated that there were no public hearing items and provided information that the Chair could request any comments received via email at any time and also how the public can comment on any of the items “live” during the meeting.

Executive Officer introduced LAFCO’s new Local Governmental Analyst I, Priscilla Allen and LAFCO Consultant, Ed Sprague. He also mentioned the upcoming election results and announcement of any new members.

AGENDA REVIEW

Executive Officer, Keene Simonds noted there were no changes to the Agenda.

PUBLIC COMMENTS

Chair Thorner invited public comments. None received.

CONSENT ITEMS

Item No. 5a

Approval of Minutes of June 19, 2020 (Action)

The Committee considered draft summary minutes prepared for the last meeting held on June 19, 2020. Recommend approval.

Item No. 5b

Update on Current and Pending Proposals (Information)

The Committee received a report identifying current proposals on file with the Commission and pending submittals anticipated in the near-term.

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On motion of Tom Kennedy and seconded by Sheryl Landrum, and carried unanimously with the remaining Committee members present, to approve the consent calendar.

BUSINESS ITEMS

Item No. 6a

Progress Report on Adopted 2020-2021 Workplan (Discussion)

Executive Officer, Keene Simonds provided a report to the Committee members regarding accomplishments of specific projects included in the adopted workplan for the current FY 2020-21. The Committee reviewed and discussed the Commission's adopted workplan for FY 2020-21.

Item No. 6b

Proposed Policy Update | Agricultural and Open Space Lands Preservation Policy (Discussion)

Executive Keene Simonds provided a proposed update to LAFCO's Agricultural and Open Space Lands Policy. Discussion followed by LAFCO staff, subcommittee members and Advisory Committee members present. No action was required for this item.

Item No. 6c

Policy Update Preview | Rule No. 4 & Establishing District Functions and Classes (Discussion)

Chief Policy Analyst, Robert Barry presented to the Committee a preview on a scheduled policy update involving the Commissions existing policy codified as Rule No. 4 and its provisions to establish service functions and classes for special districts. No other action was required for this item.

BUSINESS ITEMS CONTINUED...

Item No. 6d

Update on Dual Reorganization Proposals Filed by Fallbrook Public Utility District and Rainbow Municipal Water District | Concurrent Detachment from the San Diego County Water Authority and Annexation to Eastern Municipal Water District for Wholesale Water Service (Discussion)

The Committee received an update from Ad Hoc Committee member, Kim Thorner and Executive Officer, Keene Simonds on the submitted reorganization proposals by the agencies, Fallbrook PUD and Rainbow MWD and updates of the current work of the Ad Hoc Committee. No action was required on this item.

Item No. 6e

Update on Reorganization Proposal Filed by County of San Diego to form the San Diego County Fire Protection District (Information)

Chief Policy Analyst, Robert Barry provided an update on the submitted reorganization proposal involving divestiture of fire protection and emergency medical services from County Service Area No. 135 (San Diego county Fire Authority) with a concurrent formation of a County dependent San Diego County Fire Protection District (FPD) as the successor agency. No action was required for this item.

Item No. 6f

Updates on Active Municipal Service Reviews (Discussion)

LAFCO staff, Linda Heckenkamp, Local Government Analyst and Robert Barry, Chief Policy Analyst provided information and updates to the Committee on active municipal service reviews. Committee discussion followed. No action was required for this item.

Item No. 7

Committee Member Announcements

Committee member's provided announcements and updates on activities and events from their districts.

ADJOURNMENT TO NEXT REGULAR MEETING

There being no further business to come before the Special Districts Advisory Committee, the meeting was adjourned at 10:23 a.m. to the next scheduled meeting on December 18, 2020.

Attest:

Ruth Arellano

Executive Assistant

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

6b

AGENDA REPORT
 Consent | Information

December 18, 2020

TO: Special Districts Advisory Committee
FROM: Keene Simonds, Executive Officer
SUBJECT: Progress Report on 2020-2021 Workplan

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive a progress report with respect to the Commission accomplishing specific projects included in the adopted workplan for 2020-2021. The report is being presented for discussion and feedback along with the opportunity to identify potential amendments and/or other projects in future workplans for subsequent consideration by the Commission.

BACKGROUND

San Diego LAFCO’s current fiscal year workplan includes 26 projects and divided into two distinct categories – statutory and administrative – with the latter representing discretionary activities. The workplan is further divided into three priority rankings: high; moderate; or low.

DISCUSSION

This item provides the Committee an opportunity to review the status of scheduled workplan projects and provide real-time input before the close of the first quarter of the fiscal year. All workplan projects are detailed in Attachment One along with their status. The item is being presented for discussion and provides the Committee the opportunity to identify potential amendments for the current fiscal year and/or additions to future workplans.

Administration Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	Jim Desmond County of San Diego Chair Dianne Jacob County of San Diego Greg Cox, Alternate County of San Diego	Mary Casillas Salas City of Chula Vista Bill Wells City of El Cajon Paul McNamara, Alternate City of Escondido	Mark Kersey City of San Diego Chris Cate, Alternate City of San Diego	Jo MacKenzie Vista Irrigation Barry Willis Alpine Fire Protection Erin Lump, Alternate Rincon del Diablo MWD	Vice Chair Andy Vanderlaan General Public Harry Mathis, Alternate General Public
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ANALYSIS

San Diego LAFCO has initiated work on 21 of the 26 projects included in the adopted workplan and represents four-fifths – or 81% – of the total during through the approach of the mid fiscal year. Four projects have been completed and include an update to the Agricultural and Open Space Lands Policy and establishing social media presence on Facebook and Twitter. Key projects currently underway include a policy update to Rule No. 4 and its provisions involving the categorization of special districts’ service functions and classes.

RECOMMENDATION

This item is presented to the Committee for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee’s agenda as part of the consent calendar and – if pulled – can be discussed by the members.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) 2020-2021 Workplan with Status Notations



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

2020-2021 Workplan

Introduction:

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

Objective:

This document represents San Diego LAFCO's ("Commission") formal 2020-2021 Workplan. The Workplan draws on the recommendations of the Executive Officer as vetted and approved by the Commission. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year to address changes in resources and or priorities and to carry-forward projects into subsequent years.

Executive Summary:

The 2020-2021 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. This includes continuing work on existing projects established – but not yet completed – from earlier fiscal years and marked by completing municipal service reviews for the Escondido, Vista, San Marcos, and Fallbrook-Rainbow regions. Several policy updates are also scheduled and include reviewing LAFCO's existing policies regarding the identification and authorization of special district service functions and classes. Other administrative projects filling the Analyst I/II position and securing a long-term office lease.

Priority	Level	Type	Project	Description and Key Issues	Status
Continual	...	Statutory	Applicant Proposals	LAFCO will prioritize resources to address proposals involving boundary changes and outside service requests and includes the following prominent proposals already on file or expected to be filed in 2020-2021: <ul style="list-style-type: none"> - Fallbrook PUD/Rainbow MWD/County Water Authority - Reorganization of CSA No. 135 into FPD - Fallbrook PUD Latent Powers Activation - Reorganization of Valley Center CSD into CSA - Harvest Hills (Escondido et al) 	
Continual	...	Administrative	Targeted LAFCO Presentations	LAFCO will prioritize public outreach; emphasis on informing stakeholders ahead of MSR work	
1	High	Statutory	MSR Fallbrook-Rainbow Region	Reviews of Fallbrook PUD, Rainbow MWD, San Luis Rey MWD, & North County FPD	In progress
2	High	Statutory	MSR Escondido Region Part II	Review of the City of Escondido; follows completion of Part I (Rincon del Diablo MWD and Deer Springs FPD) in 2019-2020	In progress
3	High	Statutory	MSR Resource Conservation Services	Countywide study on RCD services; reviews of Mission RCD, Upper San Luis Rey RCD, & Greater San Diego RCD	Near completion
4	High	Administrative	Policy Review Ag and Open Space	Update existing policies and procedures involving ag and open space; incorporate stakeholder outreach (Farm Bureau, etc.)	Completed
5	High	Administrative	Policy Review Rule No. 4	Update Rule No. 4 and its provisions guiding LAFCO's duty to identify and establish special districts' service functions and classes	In progress
6	High	Statutory	MSR Poway Region	Review is specific to the City of Poway	Near completion
7	High	Statutory	MSR San Marcos Region	Reviews of the City of San Marcos, San Marcos FPD, & Vallecitos WD	In progress
8	High	Statutory	MSR Vista Region	Reviews of the City of Vista, Vista ID, Vista FPD, & Buena SD	In progress
9	High	Administrative	Analyst I/II Position	Perform recruitment and hire of a new Analyst I/II	Completed
10	High	Administrative	Office Space	Current lease for office space with County of San Diego expires in August 2020 with no extension options	In progress
11	Moderate	Statutory	MSR Ramona Region	Review is specific to the Ramona MWD	Near completion
12	Moderate	Statutory	MSR Pauma Valley Region	Reviews of Pauma MWD, Pauma CSD, Yuima MWD, Mootamai MWD, and Rincon Ranch CSD	Pending
13	Moderate	Administrative	Cities Advisory Committee	Staff and maintain feedback with Cities Advisory Committee and hold no less than two formal meetings in FY	In progress
14	Moderate	Administrative	Special Districts Advisory Committee	Staff and maintain feedback with Special Districts Advisory Committee and hold no less than three formal meetings in FY	In progress
15	Moderate	Administrative	Live-Streaming and On-Demand Video	Expand LAFCO's real-time accessibility to the public to include live streaming meetings with on demand accessibility	Completed
16	Moderate	Administrative	2019-2020 Audit	Coordinate outside consultant's review of financial statements for 2019-2020 and identify opportunities to improve accounting system	In progress
17	Moderate	Administrative	Policy Review Study Schedule	Update study schedule calendaring municipal service reviews to reflect current progress and related observations	Pending
18	Moderate	Administrative	SANDAG	Re-establish regular participation in SANDAG's Technical Working Group (TWG)	In progress
19	Moderate	Administrative	State Groundwater Management Act	Prepare report on State Groundwater Management Act (SGMA) implementation in San Diego County relative to LAFCO duties/interests	In progress
20	Moderate	Administrative	CALAFCO	Participate in CALAFCO through the Board, Leg Committee, and Annual Workshop and Conference in FY	In progress
21	Low	Administrative	Application Procedures	Streamline existing application packet to be more user-friendly; address new statutory requirements	Pending
22	Low	Statutory	MSR Oceanside and Carlsbad Region	Reviews of the Cities of Oceanside and Carlsbad as well as Carlsbad MWD and Morro Hills	In progress
23	Low	Statutory	MSR Encinitas Region	Reviews of the City of Encinitas and Leucadia WWD, Olivenhain MWD, & San Dieguito WD	Pending
24	Low	Administrative	SOI/MSR Annual Report	Prepare annual report to serve as living record of all sphere actions in San Diego County	Pending
25	Low	Administrative	Local Agency Directory	Create user-friendly publication identifying and summarizing local governmental agencies subject to LAFCO oversight	In progress
26	Low	Administrative	Social Media	Establish social media presence as a new communication forum	Completed



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6c

AGENDA REPORT
 Consent | Information

December 18, 2020

TO: Special Districts Advisory Committee

FROM: Robert Barry, Chief Policy Analyst
 Linda Heckenkamp, Analyst II
 Priscilla Allen, Analyst I

SUBJECT: Current Proposals and Related Activities

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive a report summarizing active proposals on file with the Commission. The report is being presented for purposes of detailing current workload and for information only.

BACKGROUND

LAFCO Processing

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which may include incorporations, formations, annexations, detachments, mergers, consolidations, and service function activations or divestures – are typically initiated by outside applicants (landowners, registered voters, and local agencies). LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Following submittal, proposals are reviewed by San Diego LAFCO staff for completeness and status letters are sent to the applicants within 30 days. If additional documentation is required, proposals are deemed incomplete and the status letters will itemize the needed information. Once

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complete, proposals are scheduled for Commission consideration and placed on the agenda as consent, business, or hearing items based on noticing requirements.¹ Overall, most proposals are forwarded to the Commission within six months from the date of submittal.

DISCUSSION

This item is being presented for information only and identifies all active proposals currently on file with LAFCO along with pending submittals as detailed in Attachment One.

ANALYSIS

San Diego LAFCO remains active in processing over two dozen applicant proposals. Most submitted proposals involve single lots in the unincorporated area subject to a tentative development approval and as such require annexation to a water and/or wastewater provider. More notable proposals include Fallbrook Public Utility District and Rainbow Municipal Water District separate but related requests to detach from the San Diego County Water Authority and annex to Eastern Municipal Water District.

RECOMMENDATION

This item is presented to the Committee for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee's agenda as part of the consent calendar and – if pulled – can be discussed by the members.

On behalf of staff,



Priscilla Allen
Analyst I

Attachment:

- 1) Active and Pending Proposals as of December 11, 2020

¹ The Executive Officer may also place proposals otherwise meriting consent on the business calendar to solicit additional review and discussion if warranted. Separately, applications involving outside-of-agency service extension requests follow separate proceedings and may be administratively approved by the Executive Officer if addressing documented public health or safety threats.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSAL APPLICATIONS PENDING COMMISSION ACTION			
1	RO06-17 “Tobacco Road Reorganization” - City of Escondido (Annexation) San Marcos FPD (Detachment) County Service Area No. 135 (Communications) (Detachment)	Robert Barry	Application submitted in March 2006 proposing a reorganization with the principal action involving an annexation to the City of Escondido. The proposal also involves concurrent detachment from the San Marcos FPD and CSA No. 135 (Communications). The affected territories include two parcels (1) is approximately .56 acres and (2) is approximately .45 acres and both lie within City of Escondido. The primary proposal purpose is to make available permanent public wastewater service to two existing single-family residences and in doing so replace out-of-agency service agreements previously approved by LAFCO to remedy failing septic systems. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicants in April 2008. A more recent status letter was sent to the applicants and subject agencies in January 2018 stating the proposal will be considered abandoned unless otherwise notified. Responses from two of the six landowners were received expressing interest in proceeding forward with the proposal and are working with the City of Escondido in coordinating next steps.
2	RO08-09 “South Mollison Ave-Snyder Reorganization” - City of El Cajon (Annexation) - CSA No, 135 (Communications) (Detachment) - San Miguel Consolidated FPD (Detachment)	Robert Barry	Application submitted in May 2008 proposing a reorganization with the principal action involving an annexation to the City of El Cajon. The proposal also involves concurrent detachments from CSAS No. 135 (Communications) and the San Miguel Consolidated FPD. The affected territory includes approximately 1.25 unincorporated acres in the Valle de Oro community. The proposal purpose is to facilitate multi-family residential project. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in June 2008. A more recent status letter was sent to the applicant and subject agencies in January 2018 stating the proposal will be considered abandoned unless otherwise notified. No response received to date. (Expected abandonment subject to pending policy authorization.)
3	DA08-10 “Avocado Way-Potter Annexation” - Vallecitos WD (Annexation)	Robert Barry	Application submitted in March 2008 for a proposed annexation to Vallecitos WD. The affected territory involves one unincorporated parcel developed with one single-family residence and one accessory dwelling unit totaling approximately 0.93 acre in the unincorporated North County Metro Community Planning Area between the Cities of San Marcos and Escondido. The proposal purpose is to extend wastewater service for the two existing residences along Avocado Way. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in April 2008. A more recent status letter was sent to the applicant and subject agency in January 2018 stating the proposal will be considered abandoned unless otherwise notified. The current property owners responded and conveyed their interest to proceed with the annexation and have restarted discussions with Vallecitos WD.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
4	RO08-15 SA08-15 “Crestlake Estates Reorganization” - San Diego County SD (Annexation) - CSA 69 (Annexation)	Robert Barry	Application submitted in May 2008 proposing a reorganization with the principal action involving an annexation to the San Diego County Sanitation District. The proposal also involves a concurrent annexation to County Service Area No. 69 (Heartland Ambulance). The proposal purpose is to facilitate a 60-lot single-family residential subdivision. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in June 2008. A more recent status letter was sent to the applicant and subject agencies in February 2018 stating the proposal will be considered abandoned unless otherwise notified. No response received to date. (Expected abandonment subject to pending policy authorization.)
5	DA12-02 “Lorch Annexation” - Borrego WD (Annexation)	Robert Barry	Application submitted in March 2012 proposing annexation to the Borrego Water District. The affected territory includes approximately 9.4 acres in the unincorporated community of Borrego Springs. The proposal purpose is to provide domestic water service for development of a new single-family residence. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in April 2012. A more recent status letter was sent to the applicant and subject agency in January 2018 stating the proposal will be considered abandoned unless otherwise notified. The current property owners responded and conveyed their interest to proceed with the annexation and have restarted discussions with Borrego WD.
6	DA16-10 “CSA 17 Harmony Grove Annexation” - CSA 17 (Annexation)	Linda Heckenkamp	Application submitted in May 2016 proposing an annexation to County Service Area (CSA) No. 17 and the provision of ambulance service. The affected territory involves approximately 3,600 acres and lies within the unincorporated communities of Harmony Grove and Eden Hills. The proposal purpose is to satisfy an earlier condition of the Commission and associated dissolution of CSA No. 107 as part of the “Rancho Santa Fe FPD Reorganization.” The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicants in June 2016. A more recent status letter was sent to the applicants and subject agency in January 2018 stating the proposal will be considered abandoned unless otherwise notified. The County responded within interest to continue with the proposal pending support from a local advisory committee and completion of a property tax exchange agreement.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
7	RO16-11 “Rancho Hills Reorganization” - Rancho Santa Fe CSD (Annexation) - Olivenhain MWD (Latent Power Expansion)	Robert Barry	Application submitted in October 2016 proposing reorganization with the principal action to annex to the Rancho Santa Fe CSD for wastewater services. A secondary action to expand Olivenhain MWD’s latent power involving wastewater is also needed. The affected territory involves approximately 110.0 acres in the unincorporated San Dieguito Community Planning Arera. The proposal purpose is to extend wastewater service to facilitate the development of a 37-lot single-family residential subdivision within most of the site. (The remainder of the site would be served by Olivenhain MWD.) The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in November 2016. The applicant responded and requested the proposal be placed on hold. Staff has remained in contact with the applicant and is awaiting their confirmation to proceed.
8	RO19-04 “Ortega – Olde Highway 80 Change of Organization” - San Diego County Sanitation District (Annexation)	Linda Heckenkamp	Application submitted in February 2019 proposing annexation to the San Diego County Sanitation District. The affected territory includes approximately 5.1 acres and lies within the unincorporated community of Lakeside. The purpose of the proposal is to extend wastewater service and facilitate the development of an office/warehouse building. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in March 2019 and August 2020. Contact with the applicant continues with no hearing date currently scheduled.
9	SA19-26 RO19-26 OAS19-26 “Valiano - Eden Hills Reorganization” - City of Escondido (Sphere, OSA) - San Marcos FPD (Annexation) - Rancho Santa Fe FPD (Sphere and Detachment)	Robert Barry	Application submitted in November 2019 proposing reorganization with the principal action involving an out-of-agency wastewater service agreement with City of Escondido. Secondary actions are also proposed to annex into San Marcos FPD and detach from Rancho Santa Fe FPD. Sphere amendments are also required to accommodate the reorganization. The affected territory includes approximately 82.9 acres and lies within the unincorporated community of Eden Valley west of Escondido and primarily within the City sphere of influence. The proposal purpose is to extend wastewater service as well as realign fire protection services to facilitate the development of the affected unincorporated territory into a planned 326-lot single-family residential subdivision. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in November 2019. Contact with the applicant continues with no hearing date currently scheduled.
10	LP(E)19-27 “Fallbrook Public Utility District Latent Power Expansion Park & Rec et,al.”	Robert Barry	Application submitted in November 2019 seeking approval to activate Fallbrook PUD’s latent power to exercise park and recreation, street lighting, and roads and street functions. The affected territory includes 28,160 acres and covers the entire Fallbrook PUD jurisdictional boundary. The proposal purpose is to align Fallbrook PUD’s service function powers with community interest, and this includes supporting beautification projects throughout the District. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in December 2019. Contact with the applicant continues with no hearing date currently scheduled.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
11	RO20-04 “Rainbow MWD – Eastern MWD Reorganization” – San Diego County Water Authority (detachment) – Eastern Municipal Water District (annexation)	Robert Barry	Application submitted in April 2020 proposing reorganization with the principal action to detach Rainbow MWD from the San Diego County Water Authority. A concurrent annexation to Eastern MWD is also proposed. Sphere amendments would also be required. The affected territory is approximately 51,200 and includes the entire Rainbow MWD jurisdictional boundary. The purpose of the proposal is to transition wholesale water supplies from San Diego County Water Authority to Eastern MWD. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in April 2020. Contact with the applicant continues and a 10-member Ad Hoc Committee has been established by the Commission to assist in the administrative review, which is being jointly processed with a similar filing made by Fallbrook PUD. No hearing date has been scheduled.
12	RO20-05 “Fallbrook PUD – Eastern MWD Reorganization” – San Diego County Water Authority (detachment) – Eastern Municipal Water District (annexation)	Robert Barry	Application submitted in April 2020 proposing reorganization with the principal action to detach Fallbrook PUD from the San Diego County Water Authority. A concurrent annexation to Eastern MWD is also proposed. Sphere amendments would also be required. The affected territory is approximately 28,000 acres and includes the entire Fallbrook PUD jurisdictional boundary. The purpose of the proposal is to transition wholesale water supplies from San Diego County Water Authority to Eastern MWD. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in May 2020. Contact with the applicant continues and a 10-member Ad Hoc Committee has been established by the Commission to assist in the administrative review, which is being jointly processed with a similar filing made by Rainbow MWD. No hearing date has been scheduled.
13	SA20-09 OAS20-09 “Mercurio – Grossmont Boulevard Out-of-Agency Wastewater Contractual Service Agreement” - City of La Mesa (Annexation)	Robert Barry	Application submitted in June 2020 and involves an out-of-agency contractual wastewater service agreement with the City of La Mesa. A sphere amendment is also required. The affected territory includes approximately 0.9 acres and lies within the unincorporated community of Valle De Oro. The proposal purpose is to extend public wastewater to an existing single-family residence and in doing so facilitate an intensity improvement involving an accessory dwelling unit. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in June 2020. The applicant has subsequently completed the application and the item is scheduled for Commission consideration at the January 2021 meeting.
14	RO20-10 “Meadowood Reorganization” - Rainbow Municipal Water District (Annexation) - Valley Center Municipal Water District (Detachment)	Robert Barry	Application submitted in June 2020 proposing reorganization with the principal action involving annexation to the Rainbow MWD. A concurrent detachment is also proposed involving Valley Center MWD. Sphere amendments are also required. The affected territory includes approximately 374.7 acres and lies within the unincorporated community of Fallbrook. The proposal purpose is to realign water and wastewater services in step with facilitating the planned development of 844-unit mix residential subdivision. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in June 2020. Contact continues with no hearing date currently scheduled.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
15	"Papp-Olive Street Reorganization" - Vallecitos Water District (Annexation) - Vista Irrigation District (Detachment)	Robert Barry	Application submitted in August 2020 proposing reorganization with the principal action involving annexation to the Vallecitos Water District. A concurrent detachment is also proposed involving Vista Irrigation District. The affected territory includes two vacant parcels totaling approximately 2.31 acres and lies within the City of San Marcos near the intersection of Olive Street and Sycamore Drive. The proposal purpose is to extend both public water and wastewater service to facilitate development of one single-family residence on each parcel. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in August 2020. Contact continues with no hearing date currently scheduled.
16	"Plumosa Avenue Reorganization" - City of Vista (Annexation) - Vista Fire Protection District (Detachment)	Linda Heckenkamp	Application submitted in September 2020 proposing reorganization with the principal action involving annexation to the City of Vista. A concurrent detachment is also proposed involving Vista FPD. The affected territory includes approximately 0.7 acres and lies within the unincorporated North County Metro Community Planning Area. The proposal purpose is to extend public wastewater service to an existing single-family residence. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in October 2020. Contact continues with no hearing date currently scheduled.
17	"Lakeside Water District – Riverford Road Reorganization" - Lakeside Water District (Annexation) - Padre Dam Municipal Water District (Detachment)	Robert Barry	Application submitted in September 2020 proposing reorganization with the principal action involving annexation to the Lakeside Water District. A concurrent detachment is also proposed from the Padre Dam MWD. The affected territory is approximately 5.0 acres and located within the unincorporated community of Lakeside. The proposal purpose is to accommodate the construction of a new groundwater treatment facility by Lakeside Water District. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in October 2020. Contact continues with the applicant with no hearing date currently scheduled.

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
18	CO20-20 OAS20-20	“Estrada – Veijas View Place Change of Organization” - San Diego County Sanitation District (Annexation)	Linda Heckenkamp	Application submitted in September 2020 proposing annexation to the San Diego County Sanitation District. The affected territory is approximately 15.0 acres and located within the unincorporated community of Alpine. The proposal purpose is to extend public wastewater service to an existing single-family residence and in doing so replace an aging septic system. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in October 2020. Contact continues with the applicant with no hearing date currently scheduled.
19	RO20-21	“Rancho Corrido RV Park Reorganization” - Yuima Municipal Water District (Annexation) - San Diego County Water Authority (Annexation) - Metropolitan Water District (Annexation)	Robert Barry	Application submitted in September 2020 proposing reorganization with the principal action involving annexation to the Yuima MWD. Concurrent annexations are also proposed to the San Diego County Water Authority and Metropolitan Water District of Southern California. Sphere amendments are also required. The affected territory is approximately 31.0 acres and located within the unincorporated community of Pauma Valley. The proposal purpose is to extend public water services to the affected territory and support existing development consisting of 20 mobile homes, 80 time-limited recreational vehicle (RV) spaces, and 20 RV spaces with 90-day time limits. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in October 2020. Contact continues with the applicant with no hearing date currently scheduled.
20	CO20-22	“Chinese Bible Church Change of Organization” - Rancho Santa Fe CSD (Annexation)	Robert Barry	Application submitted in November 2020 proposing annexation to the Rancho Santa Fe CSD. The affected territory is approximately 9.1 acres and located within the unincorporated San Dieguito Community Planning Area. The proposal purpose is to extend public wastewater service and facilitate the development of a planned religious facility. The application was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in December 2020. Contact continues with the applicant with no hearing date currently scheduled.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSALS POST COMMISSION ACTION			
21	SA16-20 LP16-20 “CSA 135 Islands Reorganization” - CSA 135 – LP Fire Area (Latent Powers Expansion) - Bonita-Sunnyside FPD (Annexation) - Lakeside FPD (Annexation) - San Miguel FPD (Annexation) - Ramona MWD (Annexation)	Robert Barry	Proposal submitted November 2016 by resolution of the San Diego County Fire Authority. Involved annexation of remaining unserved Islands 2, 3, and 4 via reorganization of local fire service territory among five local agencies: CSA 135; Bonita-Sunnyside FPD; Lakeside FPD; Ramona MWD; and San Miguel FPD. Reorganization involved annexation to the subject agencies and expansion of CSA No. 135’s latent powers to provide fire protection and emergency medical services to three unincorporated and unserved island areas totaling approximately 21,048 acres. Conforming amendments to add the affected territory to the subject agencies’ spheres of influence were also required. The reorganization proposal was approved February 4, 2018 and is now pending recordation once all terms are satisfied. A noticed protest hearing was held on March 13, 2019 at the LAFCO office. No protest was received by affected registered voters or landowners. Other terms remain pending.
22	SA18-07 OAS18-07 “Carmichael Drive – Wyman Service Agreement” - City of La Mesa (Sphere Amendment, OAS)	Robert Barry	Proposal involves an outside-of-agency contractual wastewater service agreement between the property owner and the City of La Mesa. OAS covers extension of City wastewater sewer service to one existing unincorporated single-family residence located outside of the La Mesa sphere of influence. The purpose of the OAS is to allow the landowner to proceed with an intensity improvement to develop an accessory workshop unit, which exceeds the permitted capacity of the existing onsite septic system. The proposal was approved by the Commission on April 8, 2018 and is now pending recordation once all terms are satisfied.
23	RO19-15 OAS19-15 “Hamilton-Felicita Reorganization” - City of Escondido (Annexation) - CSA No. 135 (Detachment) - Rincon del Diablo MWD (ID”E”) (Exclusion)	Linda Heckenkamp	Proposal application submitted in August 2019 by landowner petition requesting reorganization with the City of Escondido of two unincorporated parcels totaling approximately 0.63 acres and each developed with one single-family residence. Both residences provided documentation of failing/failed septic systems. Emergency OAS agreements for wastewater were granted to resolve the health and emergency situation in advance of annexation to Escondido. Reorganization with Escondido also required concurrent detachment from CSA No. 135 (Regional Communications) and exclusion from RDDMWD ID”E.” The proposal was approved by the Commission on June 1st, 2020 and is now pending recordation once all terms are satisfied.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
24	CO20-06 “County Service Area No. 137 - Live Oak Springs Formation” - Formation of County Service Area No.137 (Live Oak Springs Water)	Linda Heckenkamp	Proposal application submitted April 2020 by resolution of the County of San Diego. Involves formation of County Service Area No. 137 to assume retail water service responsibility for a failing private water company located in the unincorporated community of Live Oak Springs in the southeastern portion of unincorporated San Diego County. The affected territory includes approximately 151.5 acres. The proposal was approved by the Commission on June 1st, 2020 with a protest hearing held on July 2 nd and now pending recordation once all terms are satisfied.
25	CO20-07 “Schirber – Hymettus Avenue Change of Organization” - Leucadia Wastewater District (Annexation)	Linda Heckenkamp	Application submitted in April 2020 by resolution from Leucadia WWD and involves annexation of approximately 1.69 acres for connection to public wastewater service to facilitate intensity improvement. \ The proposal was approved by the Commission on October 5, 2020 and now pending recordation once all terms are satisfied.
26	CO20-08 “Fuerte Ranch Estates Change of Organization” - San Diego County Sanitation District (Annexation)	Robert Barry	Application submitted in May 2020 by landowner petition and involves annexation of approximately 27.3 acres to San Diego County Sanitation District to facilitate the development of 36 single-family homes. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.
27	RO20-11 “Lindauer – Olive Street Reorganization” - Vallecitos Water District (Annexation) - Vista Irrigation District (Detachment)	Robert Barry	Application submitted in June 2020 by landowner petition and involves annexation of approximately 4.0 acres for water and wastewater service. The affected territory is developed with a single-family residence experiencing a failing well for domestic water uses. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
28	RO20-13 “Valley Center Community Services District -County Service Area No. 138 Reorganization” - Valley Center Community Services District (Dissolution) - County Service Area No. 138 (Formation)	Linda Heckenkamp	Application submitted in June 2020 by resolution and involves the concurrent dissolution of Valley Center Community Services District and formation of County Service Area No. 138 to assume park and recreation services. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal was approved by the Commission on November 2, 2020 and now pending recordation once all terms are satisfied.
29	RO20-12 “Ortiz – Olive Avenue Reorganization” - City of Vista (Annexation) - Vista Fire Protection District (Detachment)	Linda Heckenkamp	Application submitted in June 2020 proposing reorganization with the principal action involving annexation to the City of Vista. A secondary action to detach from the Vista FPD is also proposed. The affected territory includes approximately 4.9 acres and lies within the unincorporated North County Metro Community Planning Area. The proposal purpose is to extend public wastewater service to the affected territory and in doing so facilitate the planned development of a 15-lot residential subdivision. The proposal was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in July 2020. The proposal was approved by the Commission on December 7, 2020 and now pending recordation once all terms are satisfied.
30	Ro20-15 “Sunrise-Barham Drive Reorganization” - City of San Marcos (Annexation) - Vallecitos Water District (Annexation)	Robert Barry	Application submitted in July 2020 proposing reorganization to annex to both the City of San Marcos and Vallecitos Water District. The affected territory includes approximately 14.4 acres and lies within the unincorporated North County Metro Community Planning Area between the Cities of San Marcos and Escondido. The proposal purpose is to extend public wastewater service to the affected territory and in doing so facilitate the planned development of a 192-unit mix residential subdivision. The proposal was deemed incomplete as part of a preliminary review with an accompanying status letter issued to the applicant in August 2020. The proposal was approved by the Commission on December 7, 2020 and now pending recordation once all terms are satisfied.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
<p>PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be direct to Robert Barry)</p>			
31	Pending “Harvest Hills Reorganization” - City of Escondido		This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido. Submittal to LAFCO anticipated for late 2020-2021. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All of the affected territory lies outside the adopted Escondido sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint review with other stakeholders. Project was originally titled as “Safari Highlands.”
32	Pending “Rancho Lomas Verde Reorganization” - City of Vista		This anticipated reorganization proposal is undergoing development and environmental review by the City of Vista. The anticipated proposal involves annexation of approximately 300 acres to the City of Vista and concurrent detachments from CSA 135 and the Vista FPD to facilitate a 153-lot residential development. Close to three-fourths of the project area lies outside the adopted Vista sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint review with other stakeholders.
33	Pending “Sager Ranch Reorganization” - City of Escondido		This anticipated reorganization involves annexation of approximate 1,800 unincorporated acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the proposed development of approximately 200 acres to include 203 residential units and a 225-room resort. Portions of the project area lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint review with other stakeholders.
34	Pending Harmony Grove Village South (TM-626)		This anticipated reorganization involves the unincorporated Harmony Grove Village South project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 111 acres to include 453 residential units. On January 27, the San Diego Superior Court overturned the County development approvals for the project.



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

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AGENDA REPORT
 Business | Discussion

December 18, 2020

TO: Special Districts Advisory Committee
FROM: Linda Heckenkamp, Analyst II
SUBJECT: Draft Municipal Service Review |
 Resource Conservation Districts in San Diego County

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive a presentation on the Commission’s recently issued draft municipal service review on the resource conservation districts (RCDs). The draft has been prepared as part of the Commission’s adopted workplan and represents an independent assessment on the level and range of services provided by the three RCDs operating in San Diego County – Mission, Greater San Diego, and Upper San Luis Rey. The presentation provides the Committee the opportunity to discuss and provide feedback on the content and conclusions in the draft and ahead of staff preparing a final document for formal action by the Commission at a future meeting.

BACKGROUND

Municipal Service Review Directive

State law directs the Commission 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 and the general public therein regarding the availability and sufficiency of governmental services relative to current and future community needs. Municipal service

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reviews may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts.

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 the Committee to receive a presentation on the Commission’s draft municipal service review on RCDs. The draft was presented to the Commission for preliminary discussion at its December 7th meeting with direction to proceed with a formal public review and comment period. The presentation will include a summary of key conclusions and recommendations in the draft for Committee review and discussion. Feedback will aid staff in proceeding forward with preparing a final document for future action by the Commission.

ANALYSIS

Attachment One provides a summary of key conclusions and recommendations on RCDs – including infrastructure needs, financial standing, and governance alternatives – included in the draft municipal service review.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee’s agenda as part of the business calendar. It will include a verbal presentation from staff followed by discussion from the Committee.

Respectfully,

Linda Heckenkamp
Analyst II

Attachment:

1) Summary of Draft Municipal Service Review on RCDs



Municipal Service Review

ON RESOURCE CONSERVATION DISTRICTS (RCDS)

DRAFT REPORT | December 2020



Legislative Context

LAFCOs have been responsible since 1963 to regulate and plan the formation, expansion, and reorganization of cities and special districts and their service areas in California with limited exceptions. This includes regularly preparing municipal service reviews to assess local government agencies and their services to inform LAFCOs' regulatory and planning activities relative to local needs and conditions.



Focus of this MSR

This report serves as San Diego LAFCO's independent snapshot of the level and range of services provided by the three RCDs in San Diego County – Mission, Greater San Diego County, and Upper San Luis Rey – and within their combined jurisdictions that cover ¾th of all San Diego County and 1.6 million residents. The report draws on information collected and analyzed between 2015 and 2019.



Central Conclusions

Introductory Municipal Service Review...

This report marks the first municipal service review on RCDs in San Diego County and orients the document to focus on establishing baseline information with the intention of expanding the analysis – and specifically providing more quantitative measurements – in future municipal service reviews.



LOCAL AGENCY FORMATION COMMISSION SAN DIEGO COUNTY

And Then There Were Three...

The number of RCDs in San Diego County has decreased from their height in the 1970s from 15 to 3 – Mission, Greater San Diego County, and Upper San Luis Rey – and attributed to restrictions in generating new tax revenues and an expanding urban footprint.

Aging Principal Act...

RCDs' principal act has become increasingly outdated in aligning service powers with current resource conservation practices and needs as well as LAFCOs' oversight role to regulate functions and classes of services. The cumulative effect means higher levels of local discretion being exercised by RCDs and LAFCO that may or may not sync with legislative expectations.

Influence of Grant Funding...

All three RCDs in San Diego County operate similarly to non-profit organizations with grants more so than other factors guiding decision-making in delivering municipal services. The pursuit of grants has also prompted two of the agencies – Mission and Greater San Diego County – to take on service programs beyond the clear and/or explicit provision in statute.

Boundaries Need to Matter...

Two of the three RCDs – Mission and Greater San Diego County – have invested significant resources in providing services outside their jurisdictional boundaries without proper approvals and diminish the function and role of jurisdictional boundaries and have contributed to conflict among the agencies.

Widening Strike Zone...

All three RCDs' formations date to a period where constituency needs were focused on receiving water and soil expertise to protect and enhance farmland. 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.

Stress-Testing Underway...

Two of the three RCDs – Mission and Greater San Diego RCD – finished the five-year report period trending negatively in standard financial measurements. These fiscal stresses were most impactful for Mission RCD as they finished the report period with only one month of reserves to cover average operating costs.

Purposeful LAFCO Pause...

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



LOCAL AGENCY FORMATION COMMISSION SAN DIEGO COUNTY



Actionable Recommendations

- San Diego LAFCO affirms RCD functions are explicit municipal services 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.
- San Diego LAFCO should coordinate with all three RCDs in developing performance measurements to help quantify capacity–demand relationships in each jurisdiction to appropriately inform future studies and/or reorganizations.
- 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.
- All three RCDs 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.
- All three affected agencies are reminded to request and receive written approval or confirmation of exemption from San Diego LAFCO before entering contracts or agreements to provide municipal services outside their jurisdictional boundaries.
- San Diego LAFCO should expand on the baseline information collected in this introductory municipal



LAFCOs have been responsible since 1963 to regulate and plan the formation, expansion, and reorganization of cities and special districts and their service areas in California with limited exceptions.

service review and provide a more quantified assessment of the three RCD services and related trends. The subsequent review should also – markedly – dutifully explore reorganization options, including functional and/or political consolidation opportunities.

- San Diego LAFCO should proceed with updating all three RCDs existing spheres of influences – the State’s official boundary and service area designation for local agencies – without changes.

To read more about this report, go to: sdlafco.org

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7b

AGENDA REPORT
 Business | Discussion

December 18, 2020

TO: Special Districts Advisory Committee

FROM: Keene Simonds, Executive Officer
 Priscilla Allen, Analyst I

**SUBJECT: Proposed Amendment to Statute |
 Clarifying Exception Determination for Out-of-Agency Services by Contract**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will review an amendment proposed by the Commission to clarify LAFCOs’ sole authority to determine exception eligibility under statute where local agencies do not need formal approval to provide out-of-agency services. The Commission approved sponsoring the proposed amendment at it last meeting with direction to staff to proceed with stakeholder outreach and secure a legislative author. The item is for the Committee to discuss and provide feedback as part of the stakeholder process.

BACKGROUND

Existing Statute

Government Code Section 56133 requires cities and special districts to first request and receive written approval from LAFCOs before entering into contracts to provide new or extended services outside their boundaries. The statute was originally authored by former Executive Officer and Assemblymember Mike Gotch (San Diego) to reinforce LAFCOs’ role to regulate and plan orderly municipal growth and eliminate circumvention of the annexation

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process. The statute includes certain exceptions under subsection (e) and headlined by contracts entered before January 1, 2001 and those between public agencies where the contract services are an alternative and equal substitute for services already provided.

Amendment Proposal

At its December 7, 2020 meeting, the Commission approved a staff recommendation to sponsor an amendment to Government Code Section 56133 to make explicit LAFCOs determine exception eligibility under subsection (e). The amendment responds to an increase of known and suspected instances in San Diego County where local agencies are self-determining exceptions and extending outside services by contract without consultation that otherwise require LAFCO review and approval. Discussions with other LAFCOs indicate similar experiences occurring throughout California.

DISCUSSION

This item is for the Committee to review and discuss the proposed amendment by the Commission to clarify LAFCOs' sole responsibility to determine statutory exceptions when local agencies' out-of-agency service arrangements do not require formal approval under Government Code Section 56133. Feedback from the Committee will inform additional stakeholder outreach and consideration of potential amendment revisions. It may also inform related actions involving local policies and procedures.

A copy of Government Code Section 56133 along with proposed amendment in track-change format is provided as Attachment One.

ANALYSIS

The proposed amendment represents a clarifying revision to existing statute and addresses a specific problem that undermines LAFCOs' ability to coordinate orderly municipal growth and development. The problem involves local agencies self-determining exception eligibility under Government Code Section 56133 and proceeding with out-of-agency services that otherwise merit LAFCO review and approval. Markedly, and as experienced recently in San Diego County, these self-determinations lead to subsequent conflicts – including with other cities and special districts. Amending the statute to make explicit exceptions are determined by LAFCOs will help abate future conflicts and associated costs.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee's agenda as part of the business calendar. It will include a verbal presentation from staff followed by discussion from the Committee.

Respectfully,

Priscilla Allen
Analyst I

Attachment:

- 1) Government Code Section 56133 with proposed amendment (track-change)

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**Government Code Section 56133
Proposed Amendment Regarding Exception Determination**

56133.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following **as determined by the commission:**

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district

shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed.