



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

**7b**

**AGENDA REPORT**  
 Business | Action

April 5, 2021

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
 Aleks Giragosian, Deputy Commission Counsel  
 Linda Heckenkamp, Analyst II

**SUBJECT:** Addendum to Municipal Service Review on Resource Conservation Districts

**SUMMARY**

The San Diego County Local Agency Formation Commission (LAFCO) will receive an addendum on the recently completed municipal service review on resource conservation districts (RCDs) in San Diego County. The addendum has been prepared consistent with a recommendation in the municipal service review to clarify Upper San Luis Rey RCD’s authorized service functions and classes with specific attention on groundwater management. The addendum concludes – among other items – Upper San Luis Rey RCD is not authorized in LAFCO statute to provide groundwater management while deferring to the State to determine whether separate authorization is provided under the Sustainable Groundwater Management Act. The addendum is being presented to approve and augment the municipal service review and associated written determinations.

**BACKGROUND**

**LAFCO Oversight on Special Districts’ Service Functions and Classes**

San Diego LAFCO’s enabling legislation and associated regulatory and planning powers were comprehensively updated in 2001 as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act or CKH. A notable feature in CKH was the explicit expansion of LAFCOs’

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oversight in establishing the nature, location, and extent of special districts' functions and classes of services as well as regulate their activations or divestitures accordingly. CKH directs all LAFCOs to address special district functions and classes as part of the dual municipal service review and sphere of influence update processes.

## Municipal Service Review on RCDs in San Diego County

San Diego LAFCO's scheduled municipal service review on RCDs was completed in February 2021 with the Commission taking action to formally accept the final report and adopting a resolution making the necessary determinations required under statute. This included a determination borne from the final report for the Commission to immediately proceed with an addendum to clarify Upper San Luis Rey RCD's service functions and classes. This determination, notably, followed receipt of stakeholder comments and directed attention to addressing the District's authorization to provide groundwater management as one of three members of the Pauma Valley Subbasin Groundwater Sustainability Agency (GSA).

### DISCUSSION

This item is for San Diego LAFCO to receive an addendum prepared by staff addressing Upper San Luis Rey RCD's authorized service functions and classes. The addendum is provided as Attachment One and organized to analyze three connected topics in revisiting the municipal service review in combination with the Commission's task to determine San Luis Rey RCD's eligible and authorized service functions and classes under CKH with specific attention to groundwater management. These connected topics involve (a) available RCD functions in the principal act, (b) categorizing RCD functions and classes, and – drawing from the preceding two considerations – (c) Upper San Luis Rey RCD's authorized functions and classes.

### ANALYSIS

The addendum before San Diego LAFCO concludes amendments to the municipal service review are warranted in addressing Upper San Luis Rey RCD's authorized service functions and classes. Most substantively, this includes concluding the District does not have authorization to provide groundwater management under CKH given the sole activity – i.e. participating in the Pauma Valley Subbasin GSA – commenced after 2001. Whether the District is independently authorized to provide groundwater management by the State via the Sustainable Groundwater Management Act (2016) is beyond the addendum scope. Nonetheless, any groundwater management activities beyond the GSA are prohibited in CKH. The addendum, accordingly, recommends the District apply to the Commission to activate groundwater management as a class under its water conservation function.

The Commission is advised a separate and different conclusion has been made by a working group (Kim Thorner, Jack Bebee, and Paul Bushee) tasked by the Special Districts Advisory Committee to review this matter at the invitation of the Executive Officer. The working group concludes the Upper San Luis Rey RCD established grandfathered groundwater management rights before CKH and continuously maintained through various activities – including

providing water quality monitoring assistance to landowners and conducting watershed educational workshops. Staff respectfully disagrees these activities parallel groundwater management. The working group's determinations are provided as Attachment Two.

## RECOMMENDATION

It is recommended San Diego LAFCO proceed to formally accept the addendum and in doing so approve the associated statements. This recommendation is consistent with Alternative One as outlined in the succeeding section.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Accept the addendum provided as Attachment One with any specified changes to the conclusionary statements and recommendations.

Alternative Two:

Continue the item and request additional information from staff as needed.

## PROCEDURES

This item has been placed on San Diego LAFCO's agenda for action as part of the business calendar. The following procedures, accordingly, apply:

- 1) Receive verbal presentation from staff unless waived.
- 2) Initial questions or clarifications from the Commission.
- 3) Invite comments from the public.
- 4) Consider the staff recommendation or alternatives.

On behalf of the Executive Officer,



Linda Heckenkamp  
Analyst II

Attachments:

- 1) LAFCO Addendum on Municipal Service Review on RCD
- 2) Special Districts Advisory Committee Working Group Determinations

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**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO)  
ADDENDUM TO THE FINAL MUNICIPAL SERVICE REVIEW ON  
RESOURCE CONSERVATION DISTRICTS IN SAN DIEGO COUNTY**

**LAFCO File No. 2021-001**

**March 25, 2021**

**PURPOSE**

This addendum has been prepared by San Diego LAFCO to the final municipal service review on resource conservation districts received and filed by the Commission on February 1, 2021 paired with the separate adoption of written determinations pursuant to Government Code 56340. The addendum's purpose is to satisfy a recommendation in the final municipal service review to further address Upper San Luis Rey Resource Conservation District's (RCD) powers and authorizations therein to provide groundwater management under LAFCO statute.<sup>1</sup> This recommendation ties to the Commission's delegated responsibilities in CKH to establish the nature, location, and extent of special districts' functions and classes of services as well as regulate their activations and divestitures accordingly.<sup>2</sup>

**SCOPE AND ANALYSIS**

The addendum is organized to analyze three connected topics in revisiting the municipal service review in combination with the Commission's task to determine San Luis Rey RCD's eligible and authorized service functions and classes under CKH with specific attention to groundwater management. The first two topics revisit the municipal service review's approach with regard to whether amendments are appropriate in identifying available service functions in the RCD principal act and the process for categorizing related classes. The third topic draws on the preceding two topics and addresses whether the listing of service functions and classes specific to the Upper San Luis Rey RCD in the municipal service review are appropriate and/or merit amendments. The three topics are further detailed below and include supplemental analysis performed by LAFCO staff.

Topics 1 and 2 revisit connected assumptions and related conclusions in the municipal service review and further inform the addendum's central task to address Upper San Luis Rey RCD's active and authorized service functions and classes in CKH as Topic 3.

**Item No. 1 |  
Confirming Available RCD Functions in Principal Act**

Should San Diego LAFCO confirm or amend the list of six stand-alone service functions available to Upper San Luis Rey RCD through the District's principal act *irrespective* of activation status as stated in the final municipal service review and as follows:

<sup>1</sup> LAFCO statute otherwise referenced as the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH).

<sup>2</sup> Reference to Government Code Sections 56425 and 56824.14.

- a) Agricultural Enhancement
- b) Erosion Stabilization
- c) Soil Erosion Control/Prevention
- d) Water Conservation
- e) Water Distribution
- f) Wildlife Enhancement

Addendum Analysis:

The six listed service functions available to all RCDs – irrespective of activation – were developed by LAFCO staff as part of the municipal service review and based on an evaluation of the RCD principal act. The listing reflects LAFCO’s discretionary judgment given the principal act predates conventional legislation vernacular to explicitly identify special district functions. LAFCO’s discretion also reflects the lack of guidance involving RCDs in the Commission’s own Rule No 4 and its provisions to classify special district functions as well as any comparable analysis by other LAFCOs. In revisiting the topic, staff believes the six functions listed in the municipal service review – agricultural enhancement, erosion stabilization, soil erosion control/prevention, water conservation, water distribution, and wildlife enhancement – appropriately capture the full range of functions available to RCDs. The listing appropriately omits flood control given this function is only available as contract agents to federal or State agencies and cannot be independently performed by RCDs. The functions also involve a more extensive range of internal classes (i.e. the public facilities and actions to perform the function). No modifications or amendments are needed.

**Item No. 2 |**

**Confirming Process to Categorize RCD Functions and Classes**

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Should San Diego LAFCO confirm or amend the approach in the final municipal service review to directly categorize an RCD class within only one service function.

Addendum Analysis:

The service functions identified in the municipal service review for all RCDs (e.g. soil control/prevention, etc.) are broad and lend themselves to varying levels of overlap with one another in terms of shared and/or similar classes. LAFCO staff addressed this dynamic in the municipal service review by assuming it would be appropriate to categorize an active service class to only one active service function. In revisiting the topic, staff believes this approach holds and appropriately distinguishes between primary and incidental relationships between classes and functions. An apt example involves Upper San Luis Rey RCD’s class activities tied to managing multiple conservation easements in Pauma Valley. The primary purpose of these easements based on the covenants is habitat restoration and consequently categorized in the municipal service review under the District’s “wildlife enhancement” function and irrespective of other incidental relationships, such as water

conservation.<sup>3</sup> This approach is substantively consistent with existing policy and practice under Rule No. 4 and preferable to alternatively making crossover categorizations given the potential therein to vex LAFCO’s responsibility in CKH to ensure special districts’ functions and classes are self-sustaining with dedicated resources.

### Item No. 3 |

#### Listing Upper San Luis Rey RCD’s Functions and Categorizing Classes

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Should San Diego LAFCO confirm or amend the listing in the final municipal service review involving Upper San Luis Rey RCD’s active and authorized service functions and categorizing classes as shown in the following table.

Listings in the Municipal Service Review	
Function	Class
Water Conservation	Groundwater Management
Wildlife Enhancement	Habitat Restoration

#### Addendum Analysis:

The listing of active and authorized service functions and related class categorizations for Upper San Luis Rey RCD in the municipal service review was established by LAFCO staff and drawn on communication exchanges with the District. Most of these exchanges occurred ahead of staff publishing a draft report in December 2020 and remain in the final report accepted by the Commission in February 2021. This includes identifying the District as having two active and authorized service functions – “water conservation” and “wildlife enhancement” – and purposefully aligned with the verbiage in the principal act as addressed in Topic No. 1. The municipal service review relatedly categorizes groundwater management under the water conservation function and habitat restoration under the wildlife enhancement function and purposefully without crossovers as addressed in Topic No. 2. Nonetheless, and based on information received during the public review period, it was also determined these listings warrant additional review with particular focus on groundwater management and serve as the lead item in this addendum. Revisiting the topic in greater detail suggests no amendments are merited with respect to listing the District’s active and authorized functions. Amendments appear merited, however, with respect to the District’s classes and involves the removal of groundwater management and addition of water irrigation assistance, water quality monitoring, watershed planning, and educational outreach. An updated listing follows.

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<sup>3</sup> A similar example where the source of the grant or grantor appropriate informs the designation of class/ activity involves farm evaluations performed Upper San Luis Rey RCD through a grant from the San Diego County Water Authority. In this example, the underlying activity is captured as a water irrigation class and categorized under the water conservation function rather than under and/or also within an agricultural enhancement function.

Amended Listings	
Function	Class
Water Conservation	Water Irrigation Assistance
	Water Quality Monitoring
	Watershed Planning
	Educational Outreach
Wildlife Enhancement	Habitat Restoration

## CONCLUSIONS AND RECOMMENDATIONS

The supplemental analysis and review of additional information undertaken in this addendum confirms the municipal service review’s approach in identifying available service functions in the RCD principal act as well as the process in categorizing related classes (Topics 1 and 2). The supplemental analysis also confirms the municipal service review correctly identifies Upper San Luis Rey RCD’s active and authorized service functions as water conservation and wildlife enhancement. The supplemental analysis, however, also indicates the municipal service review requires amendments in listing active and authorized classes under the District’s water conservation function. The amendments remedy the municipal service review incorrectly including groundwater management while omitting water irrigation assistance, water quality monitoring, watershed planning, and educational outreach. The removal of groundwater management is warranted since the lone connected activity involves participation in the Pauma Valley Subbasin GSA, which commenced after functions and classes became subject to LAFCO approval under CKH. Furthermore, groundwater management as contemplated for GSAs – an appropriate benchmark given current circumstances – is substantively distinct in scope and scale to other classes established and maintained by the District and marked by their differing regulatory and advisory orientations. The addition of the other classes is separately merited by documentation showing these subject activities were underway at the time of CKH and have been continually provided (Topic 3).<sup>4</sup>

The following statements and recommendations draw from the preceding conclusions and provided for Commission consideration and related action.

1. Upper San Luis Rey RCD’s authorized service functions are confirmed as presented in the municipal service review as water conservation and wildlife enhancement.
2. Upper San Luis Rey RCD’s authorized classes under the District’s water conservation function as presented in the municipal service are amended as water irrigation assistance, water quality monitoring, watershed planning, and educational outreach.

<sup>4</sup> Reference to documentation filed during the municipal service review’s public review and comment period from the Yuima Municipal Water District on January 28, 2021 and Pauma Valley Community Services District on January 29, 2021.



3. Upper San Luis Rey RCD requires authorization from San Diego LAFCO to provide groundwater management as a new class under the District's water conservation function to comply with CKH.<sup>5</sup>
4. San Diego LAFCO is not responsible for administering GSAs under the Sustainable Groundwater Management Act (SGMA) and accordingly this addendum addresses only the District's compliance under CKH.
5. San Diego LAFCO takes no position with respect to whether Upper San Luis Rey RCD's is separately eligible and authorized under SGMA to participate in the Pauma Valley Subbasin GSA and its provision of groundwater management irrespective of CKH.
6. The Upper San Luis Rey RCD should apply to activate a groundwater management class under its water conservation function to comply with CKH and harmonize any separate allowances under SGMA through the Department of Water Resources.
7. San Diego LAFCO should address groundwater management in its scheduled policy review and update to Rule No. 4.

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<sup>5</sup> Reference to procedures under Government Code Sections 56824.10-14.

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**From:** [Kim Thorner](#)  
**To:** [Simonds,Keene](#)  
**Cc:** [Jack Bebee](#); [Paul Bushee](#)  
**Subject:** Update from the SDLAFCO SDAC Ad Hoc Subcommittee on the USLRRCD participate in a GSA  
**Date:** Thursday, March 04, 2021 12:00:39 PM

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Keene - The *San Diego LAFCO Special District's Advisory Ad Hoc Subcommittee on Upper San Luis Rey RCD's participation in a GSA*, consisting of myself, Jack Bebee, and Paul Bushee, had the opportunity to conduct a second Zoom meeting on 03/02/2021.

The purpose of our meeting was to further discuss and refine the questions that our Ad Hoc Subcommittee had after our first meeting in February and to review and discuss the letters and information from both Mr. Llyod Pelman representing the San Luis Rey Indian Water Authority and also from the Yuima Municipal Water District in conjunction with the Upper San Luis Rey RCD (USLRRCS) and the Pauma Valley Community Services District.

One of the main questions that our Ad Hoc Subcommittee discussed at length was whether or not the Upper San Luis Rey RCD was providing 'water management' functions in the year 2000 or prior. Based on the information provided, we note that Upper San Luis Rey RCD provided documentation that it was providing water management functions back to at least the early 1990's and as shown specifically in 1998 via agreements with National Resource Conservation Services and others thereafter. Water quality, water conservation, watershed education and watershed protection are all water management functions that have been and continue to be offered by the Upper San Luis Rey RCD, as supported by the documentation provided.

We also noted that pursuant to LAFCO's own Rule 4.4, neither groundwater management nor water distribution are listed as functions. Rule 4.4 only lists "Water" with "Retail, Wholesale, Replenishment and Injection" as functions. We again believe that rule 4.4 should be updated to reflect current industry terms and functions.

If USLRRCD planned on extracting water, replenishing water, installing any pipes, etc., we agree that they would need to come to LAFCO to ask for permission to activate these powers. Mere participation at the water management level in a SGMA GSA does not require an additional activation of powers, as we believe that USLR RCD has been practicing water management via conservation, protection and education programs since before 2000.

We wanted to get you our thoughts and input at this time. Please let us know if you would like to have another meeting with the LAFCO staff to follow up and discuss further. Thank you, Kim Kimberly A. Thorner, Esq.

General Manager

Olivenhain Municipal Water District

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