



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

REGULAR MEETING AGENDA

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MONDAY, AUGUST 2, 2021
VIDEOCONFERENCE ATTENDANCE ONLY

Chair Andy Vanderlaan
Vice Chair Jim Desmond

Executive Officer Keene Simonds
Commission Counsel Holly O. Whatley

County of San Diego	Cities	City of San Diego	Special Districts	General Public
Jim Desmond	Paul McNamara	Chris Cate	Jo MacKenzie	Andy Vanderlaan
Nora Vargas	Mary Casillas Salas	Marni von Wilpert, Alt.	Barry Willis	Harry Mathis, Alt.
Joel Anderson, Alt.	Kristi Becker, Alt.		David A. Drake, Alt.	

Consistent with the Governor's Executive Order N-29-20, the August 2, 2021 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 4:00 P.M. on Friday, July 30, 2021
 - 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 Monday, August 2, 2021
 - These comments will be read by staff into the record and subject to a three-minute limit

1. WELCOMING AND CALL TO ORDER – 9:00 A.M.

a) Introduction of New Alternate Commissioner

- David A. Drake with Rincon del Diablo Municipal Water District

b) Roll Call of Members

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW BY EXECUTIVE OFFICER

The Chair will confirm with the Executive Officer if any changes to the agenda are needed.

4. PUBLIC COMMENT AND RELATED REQUESTS

Opportunity for members of the public to address the Commission on any subject matter within the Commission's jurisdiction but not an item listed on the agenda. Each speaker's presentation may not exceed three minutes. This is also an opportunity for members of the public to request discussion on any items listed under the consent calendar.

5. CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair will also consider Commissioner requests to pull an item for discussion before entertaining a motion.

a) Approval of Meeting Minutes for June 7, 2021 (action)

The Commission will consider action minutes prepared by the Commission Clerk for the June 7, 2021 regular meeting. Recommendation to approve as presented. (Pages 5-14)

b) Commission Ratification | Recorded Payments for May and June 2021 (action)

The Commission will review a report identifying all payments received and made for the months of May and June 2021. Recommendation to ratify payments as presented. (Pages 15-22)

c) Budget Report for 2020-2021 |

Fourth Quarter Actuals and Close of Year Budget Amendments (action)

The Commission will review a report comparing budgeted and actual transactions for 2020-2021 through the fourth quarter. Recommendation to receive and file the report along with approving amendments as part of the close of the fiscal year. (Pages 23-30)

d) Progress Report on Adopted Workplan & Related Amendments (action)

The Commission will receive a progress report on the adopted workplan for 2021-2022 and its 30 specific projects plus projects. Recommendation to accept and file the report along with approving amendments to sync with the recent update to the study schedule. (Pages 31-36)

e) Approval of Fund Balance Designations for 2021-2022 (action)

The Commission will review and consider making fund balance designations in 2021-2022. Recommendation to designate \$750,000 for committed purposes, \$125,000 for assigned purposes, and the remaining balance – \$762,178 as of July 1, 2020 – as unassigned. (Pages 37-44)

f) Service Commendation |

Former Commissioner Bill Wells with the City of El Cajon (action)

The Commission will consider formal action by resolution to recognize the service contributions of former Commissioner Bill Wells. Recommendation to approve. (Pages 45-50)

g) CALAFCO Annual Conference Items (action)

The Commission will consider action items relating to the upcoming California Association of LAFCOs' (CALAFCO) Annual Conference scheduled for October 6-8th in Newport Beach. Recommendation to nominate Commissioner MacKenzie for re-election to the CALAFCO Board as well as appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively. (Pages 51-56)

CONSENT ITEMS CONTINUED...

h) **Current Proposals and Related Activities (information)**

The Commission will receive a report identifying active proposals on file as well as a summary of pending proposal submittals. The item is for information and concurrently serves as notice to local agencies of all landowner/voter petition proposal filings. (Pages 57-68)

6. **PUBLIC HEARING ITEMS**

Public hearing items require expanded public notification per provisions in State law or have been voluntarily scheduled by the Executive Officer to ensure opportunity for public input.

a) **Proposed “Avion Reorganization” |**

Annexation to the Olivenhain Municipal Water District with Concurrent Expansion of an Activated Wastewater Service Area and Related Sphere of Influence Action (RO21-03) (action)

The Commission will consider a reorganization proposal filed by the Olivenhain Municipal Water District (OMWD) with the principal action to annex 41.5 acres of incorporated territory in the City of San Diego. A concurrent expansion of OMWD’s activated wastewater service area is also proposed. The proposal purpose is to establish OMWD wastewater services in the affected territory and facilitate the tentative approval of 84 multi-family dwelling units as part of the planned “Avion” subdivision. Staff recommends conditional approval of the reorganization as submitted with a conforming sphere amendment as well as waiving protest proceedings. The subject parcel is identified by the County Assessor’s Office as 312-010-16. (Pages 69-100)

7. **BUSINESS CALENDAR**

Business items involve regulatory, planning, or administrative items that do not require a hearing.

a) **Draft Municipal Service Review on the Ramona Region (discussion)**

The Commission will review a draft municipal service review on the Ramona region. The draft has been prepared as part of the adopted workplan and independently assesses the availability, need, and adequacy of key public services provided in the region and specifically by the principal local government subject to Commission oversight – Ramona Municipal Water District. This includes preparing determinations addressing the factors required in statute as part of the municipal service review process as well as to inform other LAFCO decision-making – including future boundary changes and sphere of influence updates in the region. The draft is being presented for discussion and feedback ahead of staff initiating a formal public review. (Pages 101-184)

b) **Proposed Policy on Translation Protocols and Accommodations (action)**

The Commission will consider a proposed policy on translation protocols and accommodations for communicating service information to non-English speaking residents to mitigate against language barriers. The proposed policy has been prepared consistent with the adopted workplan and marked by establishing standards to translate key service information into non-English based on current household language demographics. This includes translating notices and other written materials that are otherwise distributed only in English into other languages that are spoken within 20 percent or more of affected households. Interpreter services are also addressed. Staff recommends approval of the proposed policy with any desired revisions with an immediate effective date. (Pages 185-190)

BUSINESS ITEM CONTINUED...

c) Approval to Reinstate Cost-of-Living Wage Adjustments in 2021-2022 (action)

The Commission will consider reinstating a previously planned 2.0% wage cost-of-living adjustment for non-management employees in 2021-2022. The otherwise planned wage adjustment was suspended by the Commission in April 2021 at the recommendation of the Executive Officer to curb new costs in 2021-2022 given economic uncertainties associated with COVID. The parallel action to implement a voluntary employee separation incentive program has subsequently proven successful in generating cost-savings and positions the Commission to reinstate the full cost-of-living adjustment retroactive to July 1st without budget impact. Staff recommends approval. (Pages 191-194)

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

10. CLOSED SESSION

None

11. ADJOURNMENT TO NEXT MEETING

October 4, 2021

Attest to Posting:

Tamaron Lockett
Commission Clerk

All associated agenda reports are available for viewing at www.sdlafco.org.

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 business days prior to the meeting for any accommodations.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5a

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Tamaron Lockett, Commission Clerk

SUBJECT: Approval of Meeting Minutes for June 7, 2021

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on Monday, June 7, 2021. The minutes are in action-form and being presented for formal approval with any desired corrections or clarifications as requested by the Commission.

BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and – among other items – requires public agencies to maintain written minutes for qualifying meetings.

DISCUSSION

This item is for San Diego LAFCO to consider approving action minutes for the June 7, 2021 regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present.
- All alternate Commissioners were present except Joel Anderson (County of San Diego) and Marni von Wilpert (City of San Diego).

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	Vice Chair Jim Desmond County of San Diego Nora Vargas County of San Diego Joel Anderson, Alt. County of San Diego	Paul McNamara City of Escondido Mary Casillas Salas City of Chula Vista Kristi Becker, Alt. City of Solana Beach	Chris Cate City of San Diego Marni von Wilpert, Alt. City of San Diego	Jo MacKenzie Vista Irrigation Barry Willis Alpine Fire Protection David Drake, Alt. Rincon del Diablo	Chair Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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ANALYSIS

The attached draft minutes for the June 7, 2021 regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by the Commission Clerk. A video recording of the meeting has also been posted on the Commission's website (www.sdlafco.org).

RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the June 7, 2021 regular meeting as presented. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Approve the draft minutes prepared for the June 7, 2021 regular meeting with any desired corrections or clarifications.

Alternative Two:

Continue item to the next regular meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Tamaron Luckett
Commission Clerk

Attachment:

- 1) Draft Meeting Minutes for June 7, 2021

**DRAFT MINUTES
SAN DIEGO LAFCO
June 7, 2021 REGULAR MEETING**

**Via Conference Only
Per Governor's Executive Order N-29-20**

1. CALL TO ORDER

The regular meeting was called to order by videoconference at 9:00 a.m. by Chair Vanderlaan.

Item 1a

Recent Commissioner Appointments or Changes

Chair Vanderlaan announced two changes on the Commission from the Cities Selection Committee (Mayors of San Diego County). First, Paul McNamara with the City of Escondido has transitioned from an alternate to regular City Member representative and in doing so replacing Bill Wells with the City of El Cajon. Second, Kristi Becker with the City of Solana Beach is the new alternate City member.

Item 1b

Roll Call

The Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present: Chris Cate, City of San Diego
Paul McNamara, City of Escondido
Jim Desmond, County of San Diego (VICE CHAIR)
Jo MacKenzie, Vista Irrigation District
Mary Casillas Salas, City of Chula Vista (arrived at 9:07 a.m.)
Andy Vanderlaan, Public (CHAIR)
Barry Willis, Alpine Fire Protection District
Nora Vargas, County of San Diego (arrived at 9:30 a.m.)

Alternates Present: Kristi Becker, City of Solana Beach
Harry Mathis, Public

Members Absent: Joel Anderson, County of San Diego (alternate)
Marni von Wilpert, City of San Diego (alternate)

The Commission Clerk confirmed a virtual quorum was present with seven voting members – along with Alternate Commissioner Kristi Becker voting in place of Commissioner Salas who arrived at 9:07 a.m. Commissioner Vargas arrived at 9:30 a.m. Also present at the virtual dais were Executive Officer Keene Simonds, Commission Counsel Holly O. Whatley, Local Government Analyst II Linda Heckenkamp, Local Government Analyst I Priscilla Allen, Administrative Assistant Erica Blom, and Commission Clerk Tamaron Lockett.

2. PLEDGE OF ALLEGIANCE

Alternate Commissioner Becker led meeting attendees in the Pledge of Allegiance.

3. AGENDA REVIEW AND RELATED REQUESTS

Chair Vanderlaan asked the Executive Officer if there were requests to remove or rearrange items on the agenda as presented. The Executive Officer stated no changes were needed to the agenda as amended late last week to include Business Item 7c and discussion regarding a reopening plan for the LAFCO office. The Executive Officer also noted the meeting was being live streamed and instructions for the public to participate in real-time were provided on the agenda as well as detailed on the LAFCO website.

4. PUBLIC COMMENT

Chair Vanderlaan invited anyone from the public to address the Commission on a matter not directly related to an agenda item. The Commission Clerk confirmed one member of the public had pre-registered to address the Commission. Comments were received from the following person:

- Claire Collins, Counsel with San Diego County Water Authority

The Administrative Assistant confirmed there were no live e-mail comments received for public comment.

5. CONSENT ITEMS

Item 5a

Approval of Meeting Minutes for May 3, 2021

Item presented to approve draft action minutes prepared for the Commission's May 3, 2021 regular meeting. Recommendation to approve.

Item 5b

Commission Ratification | Recorded Payment for April 2021

Item presented to ratify recorded payments made and received by the Executive Officer for the month of April 2021. Recommendation to ratify.

Item 5c

Proposed "Chinese Bible Church of Organization" |

Annexation to the Rancho Santa Fe Community Services District (CO20-22)

Item presented to consider a change of organization proposal to annex approximately 9.1 unincorporated acres of territory to the Rancho Santa Fe Community Services District. The proposal purpose is to extend public wastewater service to the subject parcel and facilitate the planned development of a religious facility and accessory structures. Recommendation to conditionally approve without modifications along with waiving protest proceedings. Subject parcel identified by the County of San Diego Assessor's Office as 678-060-27.

CONSENT ITEMS CONTINUED...

Item 5c continued

Item 5c was pulled for discussion.

Commissioner Willis asked if the proposed proposal would affect any of the local agencies involved and if there were any concern with the annexation. Analyst Priscilla Allen noted there were no written comments received related to the change of organization.

Commission discussion followed.

Commissioner Willis motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner MacKenzie. Roll call requested:

AYES:	Cate, Desmond, MacKenzie, McNamara, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Anderson, Vargas, and von Wilpert
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 7-0.

Item 5d

Proposed “Lagasse Change of Organization” | Annexation to the Leucadia Wastewater District (CO21-02)

Item presented to consider a change of organization proposal to annex approximately 1.0 unincorporated acres of territory to the Leucadia Wastewater District. The proposal purpose is to extend public wastewater service and facilitate the split of the subject parcel and development of a second single-family residence. Recommendation to conditionally approve without modifications along with waiving protest proceedings. Subject parcel identified by the County of San Diego Assessor’s Office as 256-314-53.

Item 5e

Proposed Budget Amendments for 2021-2022

Item presented to consider proposed amendments to help ensure all budgeted operating expense units finish 2021-2022 with positive operating balances. Amendments involve internal transfer of \$0.075 million out of line-items within the Services and Supplies Unit and into a line-item in the Salaries and Benefits Unit. Recommendation to approve.

Item 5f

Approval of Independent Audit Expense for FY2020-2021

Item presented to consider approval of an independent audit expense covering 2020-2021. Recommendation to approve.

CONSENT ITEMS CONTINUED...

Item 5g

Annual Report: Sphere of Influence and Municipal Service Review Summary of Actions

Item presented to receive an annual report chronicling sphere of influence and municipal service review actions. Recommendation to receive and file.

Item 5h

Current Proposals and Related Activities

Item presented to update current proposals on file with LAFCO along with identifying anticipated submittals. Information only.

Item 5i

Local Agency Apportionments | Final Calculations for 2021-2022

Item presented to review a report identifying local agency apportionments for 2021-2022. Information only.

**

Chair Vanderlaan asked if the Commissioners would like to pull any consent item apart from item 5c. There were no requests from Commissioners.

Commissioner MacKenzie motioned with a second from Commissioner Willis to approve the consent calendar and staff recommendations with the exception of item 5c. Roll call requested:

AYES:	Cate, Desmond, MacKenzie, McNamara, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Anderson, Vargas, and von Wilpert
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 7-0.

6. PUBLIC HEARING ITEMS

Item 6a

Final Report and Related Actions: Municipal Service Review on Poway

Item presented to receive a final report on the scheduled municipal service review on the Poway region. The report involves limited revisions from its draft presentation in April 2021 and represents an independent evaluation of the availability, need, and sufficiency of public services in the region with focus on the City of Poway. Recommendation to accept and file.

Analyst Priscilla Allen provided the staff presentation.

Chair Vanderlaan invited Commissioner comments or questions.

PUBLIC HEARING ITEMS CONTINUED...

Item 6a continued

Commissioner MacKenzie asked what changes were made in the draft reports. The Executive Officer noted section 6.6 included additional analysis regarding ancillary municipal services provided by the City.

Chair Vanderlaan proceeded to open the public hearing and invited comments by pre-registered attendees and live e-mail.

The Commission Clerk confirmed no members of the public had pre-registered to address the Commission. The Administrative Assistant also confirmed there were no live e-mail comments.

Chair Vanderlaan proceeded to close the public hearing.

Commissioner Willis motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Salas. Roll call requested:

AYES:	Cate, Desmond, MacKenzie, McNamara, Salas, Vanderlaan, and Willis
NOES:	None
ABSENT:	Anderson, Vargas, and von Wilpert
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 7-0.

Item 6b

Proposed Update to the Study Schedule

Item presented to consider approving a sphere of influence update for the City of Poway as part of its regular requirement under statute. The proposal update is to affirm without any changes and marked by retaining all 2,144 non-jurisdictional acres within the sphere. Recommendation to approve.

Executive Officer Keene Simonds provided the staff presentation.

Chair Vanderlaan invited Commissioner comments or questions.

Commission discussion followed.

Chair Vanderlaan proceeded to open the public hearing and invited comments by pre-registered attendees and live e-mail.

The Commission Clerk confirmed no members of the public had pre-registered to address the Commission but noted Craig Ruiz with the City of Poway is available for any questions. The Administrative Assistant also confirmed there were no live e-mail comments.

Chair Vanderlaan proceeded to close the public hearing.

PUBLIC HEARING ITEMS CONTINUED...

Item 6b continued

Commissioner Willis motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Vargas. Roll call requested:

AYES:	Cate, Desmond, MacKenzie, McNamara, Salas, Vanderlaan, Vargas, and Willis
NOES:	None
ABSENT:	Anderson and von Wilpert
ABSTAINING:	None

The Commission Clerk confirms the motion was approved 8-0.

7. BUSINESS ITEMS

Item 7a

Proposed Update to the Study Schedule

Item presented to consider a proposed update to its five-year Study Scheduled previously approved in June 2018. The update as proposed ties to the adopted workplan and resets the task to regularly prepare municipal service reviews and sphere of influence updates beginning in 2021-2022. Recommendation to approve.

Analyst Linda Heckenkamp provided the staff presentation.

Chair Vanderlaan invited comments from the public. The Commission Clerk confirmed one member of the public had pre-registered to address the Commission. Comments were received from the following person:

- Claire Collins, Counsel with San Diego County Water Authority

The Administrative Assistant confirmed there was one live e-mail comment. Comments were received from the following person:

- David Drake with Innovation Smart Cover Systems

Chair Vanderlaan invited initial Commission comments or questions.

Commissioner Desmond suggested LAFCO work with the San Diego County Water Authority to allow the agency additional time to provide comments for the scope of work for the municipal service reviews.

Commission discussion followed.

Commissioner Cate motioned to approve the staff recommendation as provided in the agenda report with a second from Commissioner Vargas. Roll call requested:

BUSINESS ITEMS CONTINUED...

Item 7a continued

AYES: Cate, MacKenzie, McNamara, Salas, Vanderlaan, Vargas, and Willis
NOES: Desmond
ABSENT: Anderson and von Wilpert
ABSTAINING: None

The Commission Clerk confirms the motion was approved 7-1.

Item 7b

Commission Information Request |

Distribution of Property Tax to Fire Protection Districts and Related Items

Item presented to receive an informational report on the allocation of property taxes among the 13 fire protection districts. The report addresses a request made by the Commission at the May meeting and outlines – among other related topics – the allocation of the 1% ranges from a high of 32.3% to a low of 1.9% with an overall average of 12.2%.

LAFCO Consultant Ed Sprague provided the staff presentation.

Chair Vanderlaan invited initial Commission comments or questions.

Commission discussion followed.

Chair Vanderlaan invited comments from the public. The Commission Clerk confirmed two members of the public had pre-registered to address the Commission. Comments were received from the following persons:

- Tony Mecham with the San Diego County Fire Protection District
- Herman Reddick with the San Diego County Fire Protection District

The Administrative Assistant confirmed there was one live e-mail comments. Comments were received from the following person:

- David Drake with Rincon del Diablo Municipal Water District

Commissioner Willis suggested the Commission request the Commission formally ask the County of San Diego to revisit the allocation of property taxes to provide more balance among the affected agencies.

Additional Commission discussion followed.

Commission Counsel Holly Whatley noted the item is for discussion purposes and no action will be taken only general direction to staff to return at future meeting as an action item.

No further direction was provided to staff.

Item 7c

Reopening Plan

Item presented to discuss options and related plans for San Diego LAFCO to reopen its office to the public after closing in March 2020 due to the COVID pandemic. The item also addressed options for the Commission to transition back to in-person meetings.

Executive Officer Keene Simonds provided a verbal report.

Commission discussion followed.

The Commission suggested to return to meet in-person in October if the Governor's Executive Orders have been lifted per the Brown-Act.

8. EXECUTIVE OFFICER REPORT

- Executive Officer noted that LAFCO will be bringing in some college interims.
- Executive Officer thanked to Office Ad Hoc Committee for their services and stated that a negotiation was accepted to move to the Manchester Financial Property located at 2550 Fifth Avenue in August.

9. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

- Commissioner Willis recommended if LAFCO could implement adding the climate change for General Plans.
- Commissioner MacKenzie provided information regarding CALAFCO.

10. CLOSED SESSION

None

11. ADJOURNMENT TO NEXT MEETING

With no further business the Chair adjourned the videoconference meeting at 11:07 a.m.

**

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its June 7, 2021 videoconference meeting.

ATTEST,



Tamaron Luckett
Commission Clerk



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5b

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Blom, Administrative Assistant

SUBJECT: Commission Ratification |
Recorded Payments for May and June 2021

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying all payments received and made in May and June 2021. The payments cover all recorded transactions for the two-month period and include \$307,720 in total distributions made by the Executive Officer with 79% tied to expenses and reimbursements with the County of San Diego for payroll, office rent, general overhead, and information technology services. Payments received in May and June totaled \$20,581 and largely sourced to one new proposal fee. The payments are being presented to the Commission for formal ratification.

BACKGROUND

Accounting Policies and Procedures

San Diego LAFCO's policies provide direction to the Executive Officer to establish and maintain appropriate accounting controls for all financial transactions on behalf of the Commission. These policies specify the Executive Officer shall ensure accounting controls conform to standard procedures commonly enlisted by local governmental. Spending allowances are specified and include bid procedures for financial transactions at or above \$10,000 and separate Commission approval for transactions at or above \$125,000.

Administration

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Joel Anderson, Alt.
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Paul McNamara
City of Escondido

Mary Casillas Salas
City of Chula Vista

Kristi Becker, Alt.
City of Solana Beach

Chris Cate
City of San Diego

Marni von Wilpert, Alt.
City of San Diego

Jo MacKenzie
Vista Irrigation

Barry Willis
Alpine Fire Protection

David Drake, Alt.
Rincon del Diablo

Chair Andy Vanderlaan
General Public

Harry Mathis, Alt.
General Public

DISCUSSION

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer between May and June 2021. A detailing of these transactions prepared by the Administrative Assistant is provided in Attachments One (May) and Two (June). The item also provides the Commission the opportunity to provide feedback on related matters and inform potential changes in accounting procedures going forward.

ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer for May and June 2021 totaled \$307,720 with 79% – or \$244,033 – tied to transactions with the County of San Diego. This includes payroll reimbursements covering four pay periods as well as expenses for office rent, general overhead, and information technology services. Professional service expenses represent most of the remaining expenditures during the two-month period tallying \$18,382 and include legal and planning support. Recorded revenues during the period totaled \$20,581 and tied to one new proposal filing and applicant reimbursements for public hearing notices.

All expenses generated in May and June 2021 are consistent with the adopted budget with two deviations. One deviation involves the recent employment separation of a senior staff member and the associated action to cash-out remaining vacation accrual and underlying a higher-than normal pay period distribution in June. The second deviation involves making security deposits in June for new office space in Bankers Hill.

All monthly total transactions for the calendar year to date are shown below.

Month	Expenses	Revenues
January 2021	\$133,728	\$ 716
February 2021	\$127,082	\$6,632
March 2021	\$156,572	\$16,973
April 2021	\$301,167	\$1,470
May 2021	\$124,679	\$1,995
June 2021	\$183,041	\$18,586
... Total Year to Date	\$1,026,269	\$46,372
... Monthly Average	\$171,045	\$7,729

RECOMMENDATION

It is recommended San Diego LAFCO ratify the payments received and made by the Executive Officer for May and June 2021 as presented. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Ratify the recorded payments received and made by the Executive Officer in May and June 2021 as shown in Attachment One.

Alternative Two:

Continue to the next regular meeting and provide direction to staff as needed.

Alternative Three

Take no action.¹

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer:



Erica Blom
Administrative Assistant

Attachments:

- 1) Recorded Transactions in May 2021
- 2) Recorded Transactions in June 2021

¹ Payment ratifications are not required under LAFCO policy, but are presented to the Commission per practice.

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SAN DIEGO LAFCO
Expenses by Vendor Detail
May 2021

Agenda Item No. 5b | Attachment One

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E ADW Consulting LLC						
	5/26/2021	52370.F · Professional Services	3,049.50	Consultant Services Planning	electronic	1000 · County Account (44595)
E After Effects						
	5/12/2021	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E Ambius						
	5/24/2021	52370.J · Professional Services	103.94	Monthly Plant Services	check	3558 · SDCCU Checking
E ARCC (Assesor Recorder County)						
	5/3/2021	52490 · Publications	50.00	NOE Fee Plumosa Ave. Reorg SOI (RO20-18)	check	3558 · SDCCU Checking
	5/3/2021	52490 · Publications	50.00	NOE Fee Plumosa Ave. Reorg (RO20-18)	check	3558 · SDCCU Checking
	5/3/2021	52490 · Publications	50.00	NOE Fee Lakeside WD-Rutherford Rd. Reorg (RO20-19)	check	3558 · SDCCU Checking
	5/6/2021	52490 · Publications	50.00	NOE Fee Meadowood Reorg (RO20-10)	check	3558 · SDCCU Checking
	5/6/2021	52490 · Publications	50.00	NOE Fee Meadowood Reorg SOI (RO20-10)	check	3558 · SDCCU Checking
	5/6/2021	52490 · Publications	50.00	NOE Fee Estrada-Viejas View Pl. (CO20-20)	check	3558 · SDCCU Checking
	5/6/2021	52490 · Publications	50.00	NOE Fee Huelsman-Acacia Ave. (CO20-23)	check	3558 · SDCCU Checking
			350.00			
E AT&T Mobility						
	5/6/2021	52074 · Telecommunications	560.16	Monthly Cell Phone Bill EO & Analysts	check	3558 · SDCCU Checking
E Billing Hostway						
	5/11/2021	52370.E · Professional Services	21.95	Monthly Website Hosting Services	debit card	3558 · SDCCU Checking
E Colantuono, Highsmith & Whatley						
	5/26/2021	52370.B · Professional Services	5,538.50	Legal Services	electronic	1000 · County Account (44595)
E Corodata						
	5/24/2021	52330 · Office Expense	51.41	Document Storage	check	3558 · SDCCU Checking
E County of San Diego						
	5/1/2021	52530 · Office Lease	6,993.64	Rent	electronic	1000 · County Account (44595)
	5/1/2021	52354 · Mail/Postage ISF	600.86	Mail/Postage Services	electronic	1000 · County Account (44595)
	5/1/2021	52178 · Vehicle Maintenance	27.67	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	5/1/2021	52182 · Vehicle Fuel	0.00	Vehicle Fuel	electronic	1000 · County Account (44595)
	5/1/2021	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	5/1/2021	52721 et al. · Communications (IT) Services	9,730.20	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	5/14/2021	51110 et al. · Employee Payroll	44,866.01	Payroll Pay Period 2021-23	electronic	1000 · County Account (44595)
	5/28/2021	51110 et al. · Employee Payroll	41,251.23	Payroll Pay Period 2021-24	electronic	1000 · County Account (44595)
	5/20/2021	52504 · Equipment Rental	2.94	County Surcharge Xerox	electronic	1000 · County Account (44595)
			103,638.04			
E Harland Clarke						
	5/26/2021	52330 · Office Expense	22.05	SDCCU Checks	debit card	3558 · SDCCU Checking
E Planwest Partners Inc						
	5/19/2021	52370.F · Professional Services	2,430.00	Consultant Services MSRs	electronic	1000 · County Account (44595)
E Price Self Storage						
	5/30/2021	52504 · Equipment Rental	81.00	Storage Unit Monthly Payment	debit card	3558 · SDCCU Checking
E RJ Ricciardi Inc.						
	5/26/2021	52370.H · Professional Services	2,202.50	Consultant Services Outside Audit FY19-20	electronic	1000 · County Account (44595)
E San Diego Union Tribune						
	5/4/2021	52330 · Office Expense	970.43	Annual Newspaper Subscription	check	3558 · SDCCU Checking
E Sloan Sakai Yeung & Wong LLP						
	5/26/2021	52370.B · Professional Services	693.26	Special Legal Services	electronic	1000 · County Account (44595)
E Sprague & Associates						
	5/19/2021	52370.F · Professional Services	3,150.00	Consultant Services Fire Services	electronic	1000 · County Account (44595)
E State Board of Equalization						
	5/17/2021	52490 · Publications	350.00	SBE Fee Ortiz-Olive Ave. Reorg SOI (RO20-12)	check	3558 · SDCCU Checking
E Target						
	5/5/2021	52330 · Office Expense	201.29	Service Appreciation Gift for LH	credit card	3558-60 · SDCCU Visa Credit Card
E Translation Solutions						
	5/6/2021	52370.L · Professional Services	630.00	Final Payment for Spanish Translation of Poway MSR	check	1000 · County Account (44595)

SAN DIEGO LAFCO
Expenses by Vendor Detail
May 2021

[illegible]

SAN DIEGO LAFCO
Expenses by Vendor Detail
June 2021

Agenda Item No. 5b | Attachment Two

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E After Effects						
	6/13/2021	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
E Amazon						
	6/6/2021	52330 · Office Expense	19.56	Office Supplies for PA	credit card	3558-60 · SDCCU Visa Credit Card
	6/18/2021	52330 · Office Expense	217.84	Office Supplies for DN	credit card	3558-60 · SDCCU Visa Credit Card
	6/22/2021	52330 · Office Expense	573.65	Monitors for KS & DN	credit card	3558-60 · SDCCU Visa Credit Card
	6/24/2021	52330 · Office Expense	172.64	Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	6/26/2021	52330 · Office Expense	28.00	Office Supplies for KS	debit card	3558 · SDCCU Checking
			1,011.69			
E Ambius						
	6/10/2021	52370.J · Professional Services	103.94	Monthly Plant Services	check	3558 · SDCCU Checking
E ARCC (Assesor Recorder County)						
	6/10/2021	52490 · Publications	50.00	NOE Fee Lagasse (CO20-21)	check	3558 · SDCCU Checking
	6/15/2021	52490 · Publications	50.00	NOE Fee Chinese Bible Church (CO20-22)	check	3558 · SDCCU Checking
	6/22/2021	52490 · Publications	50.00	NOE Fee City of Poway MSR	check	3558 · SDCCU Checking
	6/22/2021	52490 · Publications	50.00	NOE Fee City of Poway MSR SOI	check	3558 · SDCCU Checking
			200.00			
E AT&T Mobility						
	6/10/2021	52074 · Telecommunications	488.31	Monthly Cell Phone Bill EO & Analysts	check	3558 · SDCCU Checking
	6/30/2021	52074 · Telecommunications	597.59	Monthly Cell Phone Bill EO & Analysts	check	3558 · SDCCU Checking
			1,085.90			
E Billing Hostway						
	6/8/2021	52370.E · Professional Services	21.95	Monthly Website Hosting Services	debit card	3558 · SDCCU Checking
E Chase Design Inc						
	6/30/2021	52334 · Printing	5,287.50	Consultant Services Agency Directory	electronic	1000 · County Account (44595)
E Copy 2 Copy						
	6/10/2021	52334 · Printing	1,916.33	Agency Directory	check	3558 · SDCCU Checking
E Corodata						
	6/30/2021	52330 · Office Expense	86.64	Document Storage & Boxes	check	3558 · SDCCU Checking
E County of San Diego						
	6/1/2021	52530 · Office Lease	6,993.64	Rent	electronic	1000 · County Account (44595)
	6/1/2021	52354 · Mail/Postage ISF	970.74	Mail/Postage Services	electronic	1000 · County Account (44595)
	6/1/2021	52178 · Vehicle Maintenance	27.67	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	6/1/2021	52182 · Vehicle Fuel	51.13	Vehicle Fuel	electronic	1000 · County Account (44595)
	6/1/2021	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	6/1/2021	52721 et al. · Communications (IT) Services	10,174.06	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	6/11/2021	51110 et al. · Employee Payroll	48,812.20	Payroll Pay Period 2021-25	electronic	1000 · County Account (44595)
	6/25/2021	51110 et al. · Employee Payroll	64,205.64	Payroll Pay Period 2021-26	electronic	1000 · County Account (44595)
	6/30/2021	52344 · Stores Unallocated	157.82	Office Supplies Office Depot Order	electronic	1000 · County Account (44595)
	6/30/2021	52344 · Stores Unallocated	2.39	County Surcharge Office Depot	electronic	1000 · County Account (44595)
	6/30/2021	52550.B · County Overhead Costs	8,815.50	County Services A-87 Overhead (4th Quarter)	electronic	1000 · County Account (44595)
	6/30/2021	52550.B · County Overhead Costs	19.13	A-87 Cost Allocation Plan Share Fee for 4 Quarters	electronic	1000 · County Account (44595)
			140,395.41			
E Culligan of San Diego						
	6/30/2021	52330 · Office Expense	6.50	Monthly Water Payment	check	3558 · SDCCU Checking
E Dieu Ngu						
	6/30/2021	52074 · Telecommunications	359.94	COVID-19 Telework Internet Reimbursement (Twelve Months)	check	3558 · SDCCU Checking
E Erica Blom						
	6/10/2021	52074 · Telecommunications	85.00	COVID-19 Telework Internet Reimbursement (Two Months)	check	3558 · SDCCU Checking
E Grubhub						
	6/30/2021	52610 · Non-Travel/In-County	19.95	Quarterly Staf Meeting (RA)	credit card	3558-60 · SDCCU Visa Credit Card
E Manchester Financial 5th Ave. LLP						
	6/2/2021	52530 · Office Lease	15,005.00	Security Deposit for New Office Space	check	3558 · SDCCU Checking
	6/2/2021	52530 · Office Lease	10,164.90	First Months Rent for New Office Space	check	3558 · SDCCU Checking
			25,169.90			
E Price Self Storage						
	6/29/2021	52504 · Equipment Rental	81.00	Storage Unit Monthly Payment	debit card	3558 · SDCCU Checking

SAN DIEGO LAFCO
Expenses by Vendor Detail
June 2021

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E San Diego History Center						
	6/15/2021	52490 · Publications	195.00	MSR Photos	credit card	3558-60 · SDCCU Visa Credit Card
E San Diego Union Tribune						
	6/17/2021	52490 · Publications	2,476.00	PHNs FY2022 Budget & Poway MSR	check	3558 · SDCCU Checking
	6/30/2021	52490 · Publications	2,288.00	PHNs	check	3558 · SDCCU Checking
			4,764.00			
E Shutterstock						
	6/13/2021	52490 · Publications	49.00	Photo Stock for Local Directory	credit card	3558-60 · SDCCU Visa Credit Card
E Tameron Luckett						
	6/17/2021	52074 · Telecommunications	347.28	COVID-19 Telework Internet Reimbursement (Seven Months)	check	3558 · SDCCU Checking
E The Toll Roads						
	6/22/2021	52610 · Non-Travel/In-County	0.50	Travel for KS	debit card	3558 · SDCCU Checking
E Twitter						
	6/25/2021	52370.K · Professional Services	36.13	Consultant Services Social Media	debit card	3558 · SDCCU Checking
	6/28/2021	52370.K · Professional Services	150.00	Consultant Services Social Media	debit card	3558 · SDCCU Checking
			186.13			
E USPS						
	6/30/2021	52332 · Postage	22.45	Postage for LH & ES	credit card	3558-60 · SDCCU Visa Credit Card
E Vistaprint						
	6/13/2021	52330 · Office Expense	1,593.80	Logo Backpacks	debit card	3558 · SDCCU Checking
E Zoom						
	6/4/2021	52270 · Memberships	14.99	LAFCO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	6/13/2021	52270 · Memberships	14.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			29.98			
EXPENSE TOTAL			183,040.78			
R Lakeside WD						
	6/24/2021	52490 · Publications	50.00	County Recorder Fees (RO20-19)	check	3558 · SDCCU Checking
R Lennar Homes						
	6/22/2021	46234 · Applctions	17,677.80	LAFCO Processing Fees (RO21-03)	check	1000 · County Account (44595)
R Leucadia WWD						
	6/24/2021	52490 · Publications	50.00	County Recorder Fees (CO21-02)	check	3558 · SDCCU Checking
R Nolan Huelsman						
	6/24/2021	52490 · Publications	50.00	County Recorder Fees (CO20-23)	check	3558 · SDCCU Checking
R Rainbow MWD						
	6/24/2021	52490 · Publications	758.50	County Recorder & PHN Fees (RO20-10)	check	3558 · SDCCU Checking
REVENUE TOTAL			18,586.30			



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5C

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Erica Blom, Administrative Assistant

SUBJECT: Budget Report for 2020-2021 |
Fourth Quarter Actuals and Close of Year Budget Amendments

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a fourth quarter budget report comparing budgeted and actual transactions for 2020-2021. The report identifies the Commission finished June 30th in positive standing with a net operating balance of \$0.066 million or 3.4% and primary attributed to additional application fees. The substantive result of the surplus is the recovery of almost all of the budgeted use of unassigned reserves during the fiscal year and limit the overall decrease to the fund balance at (0.4%) from \$1.630 million to \$1.623 million. The report is being presented to the Commission to formally accept and file as well as approve close-of-year budget amendments to provide all expenses units finish with positive balances.

BACKGROUND

San Diego LAFCO's adopted budget for 2020-2021 totaled \$1.916 million less close of year amendments. This amount represents the total approved operating expenditures for the fiscal year divided between salaries and benefits, service and supplies, and other. A matching revenue total was also budgeted with the purposeful aid of a planned \$0.073 million transfer from unassigned reserves. Budgeted revenues are divided between intergovernmental contributions, application fees, investment earnings, and miscellaneous.

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	Vice Chair Jim Desmond County of San Diego Nora Vargas County of San Diego Joel Anderson, Alt. County of San Diego	Paul McNamara City of Escondido Mary Casillas Salas City of Chula Vista Kristi Becker, Alt. City of Solana Beach	Chris Cate City of San Diego Marni von Wilpert, Alt. City of San Diego	Jo MacKenzie Vista Irrigation Barry Willis Alpine Fire Protection David Drake, Alt. Rincon del Diablo	Chair Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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The total fund balance as of July 1, 2020 was \$1.630 million with \$0.954 million unassigned.

DISCUSSION

This item is for San Diego LAFCO to receive a comparison of (a) budget to (b) actual expenses and revenues as part of the administrative close of 2020-2021 and ahead of an outside audit review. The report provides the Commission the opportunity to review expense and revenue trends relative to recent years and provide follow up with staff as needed. The report is being presented to the Commission to formally accept and file as well as consider correcting amendments for accounting purposes as further discussed.

Summary | Operating Expenses

San Diego LAFCO's budgeted operating expense total for 2020-2021 less close-of-year amendments was \$1.916 million. Actual expenses booked through the fourth quarter totaled \$1.931 million. This booked amount represents 100.7% of the budgeted total and generates a shortfall of (\$14,204) or (0.7%). A breakdown of budget to actual expenses within all three expense units through June 30th follows.

Expense Units	Adopted with Amendments	Actuals Through 6/30	Percent Expended	Balance
1) Salaries and Benefits	1,367,932	1,370,788	100.2	(2,856)
2) Services and Supplies	543,368	559,716	103.0	(16,348)
3) Other	5,000	0	0.0	5,000
Total	\$1,916,300	\$1,928,081	100.7%	(\$14,204)

Budget Amendments to Date:

San Diego LAFCO approved a series of amendments to the 2020-2021 budget in May and June 2021 and collectively involved transferring \$118,220 of out of Services and Supplies and into the Salaries and Benefits.

An expanded discussion on budgeted and actual expenses through June 30th follows.

Expense Unit | Salaries and Benefits

The Commission's budgeted expenses for salaries and benefits in 2020-2021 less close-of-year amendments was \$1.367 million with the proceeds largely tied to funding 8.0 fulltime equivalent employees and existing retiree obligations.¹ Total expenses through the fourth quarter were \$1.371 million. This booked amount represents 100.2% of the budgeted total and generates a shortfall of (\$2,856) or (0.2%) and primarily attributed to a voluntary retirement payout involving a senior staff position in June.

¹ Commission per diem payments are also booked in the salaries account.

Expense Unit | Services and Supplies

The Commission's budgeted expenses for services and supplies in 2020-2021 less close-of-year amendments was \$0.544 million and includes consultants and reimbursements to the County of San Diego for office rent, overhead, and information technology support. Total expenses through the fourth quarter were \$0.560 million. This booked amount represents 103.0% of the budgeted total and generates a shortfall of (\$16,348) or (3.0%) and primarily attributed to making new office lease deposits in June.

Expense Unit | Other

The Commission's budgeted expenses for equipment depreciation and potential fixed asset purchases in 2020-2021 was \$5,000. No expenses were booked.

Summary | Operating Revenues

San Diego LAFCO's budgeted operating revenue total for 2020-2021 less close-of-year amendments was \$1.916 million. Actual expenses booked through the fourth quarter totaled \$1.997 million. This booked amount represents 104.2% of the budgeted total and generates a surplus of \$80,285 or 4.2%. A breakdown of budget to actual expenses within all three expense units through June 30th follows.

Revenue Units	Adopted with Amendments	Actuals Through 6/30	Percent Collected	Balance
1) Intergovernmental	1,693,700	1,693,700	100.0	0
2) Application Fees	130,000	221,918	170.7	(91,918)
3) Investment Earnings	20,000	8,368	41.8	11,632
4) Miscellaneous	72,600	0	0	0
Total	\$1,916,300	\$1,996,585	104.2%	(\$80,285)

An expanded discussion on budgeted and actual revenues through June 30th follows.

Revenue Unit | Intergovernmental Fees

The Commission budgeted \$1.694 million in intergovernmental fees in 2020-2021 less close-of-year amendments. This total budgeted amount was divided between the Commission's four agency membership categories based on statutory formula and detailed in the accompanying footnote.² All apportionments were collected.

Revenue Unit | Application Fees

The Commission budgeted \$0.130 million in application fees in 2020-2021 less close-of-year amendments. Total revenues through the fourth quarter were \$0.222 million and generates a surplus of \$91,918 or 70.1%.

² The County of San Diego, independent districts, and cities less San Diego all received apportionments equaling \$0.484 million. The remaining amount – \$0.242 million – was apportioned to the City of San Diego.

Revenue Unit | Investment Earnings

The Commission budgeted \$0.020 million in interest earnings in 2020-2021 less close-of-year amendments. Total revenues collected through the fourth quarter were \$8,368 and generates a shortfall of (\$11,632) or (58.2%) and largely attributed to lower interest rates.

Revenue Unit | Miscellaneous

The Commission budgeted \$0.073 million in operating transfers from unassigned reserves in 2020-2021 less any close-of-year amendments. This transfer was purposefully budgeted in conjunction to use reserves to reduce increases in agency contributions and transacted as planned in June.

ANALYSIS

San Diego LAFCO finished 2020-2021 favorably and generated an operating surplus \$0.066 million or 3.4% and – among other features – recovers most of the \$0.073 million in budgeted use of reserves. The net effect of the operating surplus is much lower than expected decrease in the Commission’s fund balance from \$1.630 to \$1.623 million. The Commission also – notably – accomplished the operating surplus while making and absorbing upfront investments in the Commission’s future. This includes creating long-term cost-savings through the implementation of a voluntary employee separation program as well as securing a larger and more efficient office space. These investments, nonetheless, underlie the need for year-end amendments to address shortfalls in two expense units – Salaries and Benefits and Services and Supplies – for accounting purposes to ensure ending positive balances. These amendments collectively increase the total operating budget from \$1.916 million to \$1.938 million and retroactively authorize the underlying cost overruns.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the fourth quarter budget report and approve the closing budget amendments for 2020-2021 and increase operating costs to \$1.938 million to ensure all expense units finish with positive balances. This recommendation is consistent with Alternative One outlined below.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

Accept and file the report and approve the following budget amendments for 2020-2021:

- (a) Amend and increase budgeted monies in the salaries and wages account (Salaries & Benefits) from \$837,635 to \$841,000; a difference of \$3,365.
- (b) Amend and increase budgeted monies in the reimbursements: desktop computing (Services & Supplies) from \$25,000 to \$43,000; a difference of \$18,000.

Alternative Two:

Continue to a future meeting and provide direction to staff with respect to any additional analysis or information requested.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) 2020-2021 Operating Budget with Actuals Through June 30, 2021

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

Agenda Item No. 5c | Attachment One

OPERATING EXPENSES

Salaries and Benefits Unit

Account No.	Description	FY 2018-2019		FY 2019-2020		FY 2020-2021		
		Adopted	Actuals	Adopted	Actuals	Adopted w/amendments	Actuals June 30th	Actuals % Budget
51110-51310	Salaries and Wages	689,719	638,748	722,780	695,356	837,635	851,062	101.6%
51410	Retirement - SDCERA	239,780	230,865	258,148	255,294	316,593	293,416	92.7%
51415	Retirement - OPEB	10,560	10,091	10,539	10,165	10,977	9,944	90.6%
51421	Retirement - OPEB Bonds	41,598	37,308	40,321	38,219	41,998	38,804	92.4%
51450	Payroll Taxes (Social Security and Medicare)	48,958	46,163	53,393	49,698	55,613	61,062	109.8%
51510-51550	Group Insurance (Health and Dental)	96,958	95,405	100,234	105,031	103,116	116,261	112.7%
51560	Unemployment Insurance	4,032	163	3,769	138	2,000	239	12.0%
		1,131,604	1,058,743	1,189,184	1,153,901	1,367,932	1,370,788	100.2%

Services and Supplies Unit

Account No.	Description							
52074	Telecommunications	2,500	3,860	3,600	3,829	3,636	6,937	190.8%
52138	General Liability Insurance	-	-	-	3,419	-	10,576	
52178	Vehicle - Maintenance	2,000	610	1,500	1,309	980	646	65.9%
52182	Vehicle - Fuel	1,500	367	1,000	245	1,000	112	11.2%
52270	Memberships	13,000	14,601	28,139	18,049	18,181	17,261	94.9%
52304	Miscellaneous	50	20	50	10	50	25	50.0%
52330	Office: General	8,500	6,399	7,420	4,781	7,420	6,064	81.7%
52332	Office: Postage	500	84	500	275	500	22	4.5%
52334	Office: Printing	10,000	4,795	10,000	1,199	10,000	7,916	79.2%
52336	Office: Books and Guidelines	2,000	3,226	2,000	4,112	2,000	437	21.8%
52338	Office: Drafting/Engineering	50	-	50	-	50	-	0.0%
52344	Office: Supplies and Furnishings	17,500	9,302	17,800	8,145	15,800	6,692	42.4%
52354	Office: County Mail Services	9,000	18,896	10,000	8,514	10,000	7,156	71.6%
52370	Professional Services: Consultants	259,110	398,125	234,505	226,762	190,094	192,297	101.2%
52490	Publications and Legal Notices	5,000	10,382	4,650	8,088	4,650	15,118	325.1%
52504	Leases: Equipment	6,500	8,137	6,600	5,915	6,600	6,477	98.1%
52530	Leases: Office Space	79,880	79,555	82,657	81,877	84,764	109,094	128.7%
52550	Special Expenses: County Overhead	155,000	113,842	100,896	48,613	50,904	40,739	80.0%
52562	Special Expenses: New Hire Backgrounds	-	689	-	-	-	1,112	
52566	Special Expenses: Minor Equipment	1,000	2,788	1,000	641	1,000	-	0.0%
52602	Computer Training	2,000	-	2,000	-	2,000	-	0.0%
52610	Travel and Training In County	5,000	6,634	4,500	7,367	4,500	2,364	52.5%
52612	Employee Auto	10,000	9,069	9,700	8,779	9,700	7,200	74.2%
52622	Travel and Training Out of County	10,000	25,432	23,550	13,271	-	-	
52704-52722	Reimbursements: Network	30,000	26,450	30,000	29,065	30,000	31,162	103.9%
52723	Reimbursements: Data Center	45,000	30,728	45,000	29,233	29,006	28,752	99.1%
52725	Reimbursements: Financial Systems	20,000	27,556	20,000	23,320	20,000	19,575	97.9%
52726-52732	Reimbursements: Desktop Computing	25,000	25,311	25,000	51,246	25,000	46,459	185.8%
52734	Reimbursements: Help Desk	3,000	4,743	3,000	2,689	3,000	2,274	75.8%
52750-52754	Reimbursements: Catalog Equipment	45,000	32,097	45,000	38,602	10,532	8,776	83.3%
52758	Reimbursements: Vehicle Lease	2,000	1,986	2,000	1,986	2,000	1,986	99.3%
		770,090	865,684	722,117	631,341	543,367	559,716	103.0%

OPERATING EXPENSES CONTINUED...

Other Units

Account No. Description

53585 Equipment Depreciation
54955-54961 Fixed Assets

EXPENSE TOTALS

FY 2018-2019		FY 2019-2020	
Adopted	Actuals	Adopted	Actuals
2,500	2,500	2,500	2,500
2,500	-	2,500	-
5,000	2,500	5,000	2,500
1,906,694	1,926,927	1,916,300	1,787,742

FY 2020-2021		
Adopted w/amendments	Actuals June 30th	Actuals % Budget
2,500	-	-
2,500	-	-
5,000	-	-
1,916,300	1,930,504	100.7%

OPERATING REVENUES

Intergovernmental Unit

Account No. Description

45918.1 Apportionments | County
45918.2 Apportionments | Cities (less SD)
45918.3 Apportionments | City of San Diego
45918.4 Apportionments | Special Districts

FY 2018-2019		FY 2019-2020	
Adopted	Actuals	Adopted	Actuals
475,684	475,684	486,771	486,771
475,684	475,684	486,771	486,771
237,842	237,842	243,386	243,386
475,684	475,684	486,771	486,771
1,664,894	1,664,894	1,703,700	1,703,700
125,000	82,147	125,000	201,419
125,000	82,147	125,000	201,419
6,800	19,052	15,000	25,812
6,800	19,052	15,000	25,812
110,000	217,186	72,600	-
110,000	217,186	72,600	-
1,906,694	1,983,279	1,916,300	1,930,931

FY 2020-2021		
Adopted w/amendments	Actuals June 30th	Actuals % Budget
483,914	483,914	100.0%
483,914	483,914	100.0%
241,957	241,957	100.0%
483,914	483,914	100.0%
1,693,700	1,693,700	100.0%
130,000	221,918	170.7%
130,000	221,918	170.7%
20,000	8,368	41.8%
20,000	8,368	41.8%
72,600	72,600	100.0%
72,600	72,600	100.0%
1,916,300	1,996,585	104.2%

Service Charges Unit

Account No. Description

46234 Service Charges

Earnings Unit

Account No. Description

44105 Interest and Dividends

Miscellaneous Unit

Account No. Description

47540 Use of Fund Balance (transfer)

REVENUE TOTALS

OPERATING NET	-	56,352	-	143,189	-	66,080.89
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FUND BALANCE

	Audited	Audited	Unaudited
Committed			
... Stabilization	-	250,000	250,000
... Opportunity	175,000	300,000	300,000
Assigned	75,000	125,000	125,000
Unassigned	1,238,233	954,738	948,219
	1,488,233	1,629,738	1,623,219



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5d

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: Progress Report on Adopted Workplan & Related Amendments

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing the 30 specific projects included in the adopted workplan for 2021-2022. This includes noting through the first month exactly two-fifths of all workplan projects are underway in some substantive manner with two nearing completion. This latter category includes a policy addressing translation accommodations. The report is being presented to the Commission to receive and file as well as approve correcting amendments as detailed.

BACKGROUND

2021-2022 Workplan

San Diego LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on May 2, 2021. The workplan includes 30 projects and divided into two distinct categories – statutory and administrative – along with priority assignments ranging from high to low. The Commission reserves discretion to amend the workplan during the fiscal year to address changes in priorities or resources as well as to continue projects into subsequent fiscal years.

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Chair Andy Vanderlaan
General Public

Harry Mathis, Alt.
General Public

DISCUSSION

This item provides San Diego LAFCO with its regular update on workplan projects formally established for the current fiscal year. This includes staff assigning one of four status categories to projects ranging from pending to complete and detailed in Attachment One. The item is being presented for the Commission to receive and file as well as approve a limited number of correcting amendments to sync the workplan with the subsequent update to the study schedule in June 2021 and involves the following actions:

- Revise the Oceanside-Carlsbad Regional Municipal Service Review project into two high-priority projects and in doing so allow for separate studies on the Oceanside and Carlsbad subregions and the local cities and special districts.
- Remove and defer the Encinitas Municipal Service Review to the 2022-2023 workplan.

ANALYSIS

San Diego LAFCO has initiated work on 12 of the 30 projects included in the adopted workplan and represents two-fifths – or 40% – of the total through one month of the fiscal year. Most of the initiated work involves high-priority projects that have been forwarded from the prior fiscal year and includes several comprehensive municipal service reviews in the North County region. Work has also been initiated on several new projects and highlighted by nearing completion on addressing office space needs with a pending move to 2550 Fifth Avenue as well as a policy on translation protocols.

RECOMMENDATION

It is recommended San Diego LAFCO receive and file the item along with approving the correcting amendments identified in the preceding section. This recommendation would be accommodated by taking the actions outlined in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

- (a) Receive and file the item.
- (b) Approve the amendments to the workplan as described.

Alternative Two:

Continue consideration of the item to a future meeting and provide direction to staff for more information as needed.

Alternate Three:

Take no action.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) 2021-2022 Workplan with Status Notations

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San Diego County Local Agency Formation Commission

Subdivision of the State of California | Regional Service Planning

2021-2022 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 2021-2022 Workplan. The Workplan is divided into two distinct categories – statutory and administrative – with sequential priority rankings from high to 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.

Executive Summary:

The 2021-2022 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities and supplemented by administrative activities. The Workplan includes continuing work on existing projects established – but not yet completed – from earlier fiscal years and marked by completing municipal service reviews in north and coastal communities. Several new projects are also included in the Workplan and highlighted by sponsoring and/or otherwise facilitating amendments to existing statutes to clarify LAFCOs' responsibilities in authorizing outside service extensions as well as to streamline and modernize the principal act for resource conservation districts. Other new projects include policy reviews on environmental justice and city island annexations.

Priority	Level	Type	Project	Description	Status
Ongoing	...	Statutory	Applicant Proposals and Requests	LAFCO will prioritize on an ongoing basis its available resources to process applicant proposals	
Ongoing	...	Administrative	Targeted LAFCO Presentations	LAFCO will prioritize on an ongoing basis its resources to perform public outreach	
1	High	Statutory	MSR Fallbrook-Rainbow Region	Complete the scheduled review of Fallbrook PUD, Rainbow MWD, CSA 81, & North County FPD	Underway
2	High	Administrative	Fallbrook-Rainbow Ad Hoc Committee	Complete the work of the Ad Hoc in assisting in the administrative review of the associated reorganization proposals	Underway
3	High	Administrative	Office Space Needs	Review office space needs and proceed with executing new office lease and related actions as needed	Near Completion
4	High	Statutory	MSR Escondido Region Part II	Complete the scheduled review of the City of Escondido	Underway
5	High	Administrative	Legislative Proposal G.C. 56133(e)	Sponsor and/or facilitate an amendment to clarify LAFCOs' responsibility in exempting outside service agreements	Underway
6	High	Statutory	Commission Rule No. 4	Complete a comprehensive update to Rule No. 4 and its provisions to regulate special districts' functions and classes	Pending
7	High	Statutory	MSR Oceanside and Carlsbad Region	Complete scheduled reviews of the Cities of Oceanside and Carlsbad and local serving special districts	Underway
8	High	Statutory	MSR Encinitas Region	Initiate scheduled reviews of the City of Encinitas and local serving special districts	Underway
9	High	Administrative	Translation Policy	Establish procedures and related accommodations to communicate with non-English speaking communities	Near Completion
10	High	Statutory	Environmental Justice Policy	Consider policy options to address environmental justice in regulatory and planning activities	Pending
11	High-Moderate	Administrative	2020-2021 Audit	Complete outside audit of financial statements for 2020-2021	Pending
12	High-Moderate	Statutory	2022-2023 Workplan and Budget	Adopt proposed and final workplan and budgets documents by March and May 2022	Pending
13	High-Moderate	Statutory	MSR San Marcos Region	Complete the scheduled reviews of the City of San Marcos and surrounding local serving special districts	Underway
14	High-Moderate	Statutory	MSR Vista Region	Complete the scheduled reviews of the City of Vista and surrounding local serving special districts	Underway
15	High-Moderate	Administrative	Special Districts Advisory Committee	Provide administrative support to the Special Districts Advisory Committee and hold no less than three meetings in FY	Pending
16	High-Moderate	Administrative	Cities Advisory Committee	Provide administrative support to the Cities Advisory Committee and hold no less than two meetings in FY	Pending
17	Moderate	Administrative	RCD Ad Hoc Committee	Coordinate work of the Ad Hoc Committee in implementing recommendations included in the final MSR on RCDs	Pending
18	Moderate	Administrative	Legislative Proposal RCDs	Facilitate and/or participate in a comprehensive rewrite of RCD law and – among other priorities – clarify service function powers	Pending
19	Moderate	Statutory	Policy Review Island Annexations	Consider options to define “substantially surrounded” and provide related mapping to inform review	Pending
20	Moderate	Administrative	SALT Grant Agricultural Trends	Implement two-year grant project to identify and track agricultural trends in San Diego County	Underway
21	Moderate-Low	Statutory	MSR Pauma Valley Region	Complete the scheduled review of local serving special districts in the Pauma Valley region	Underway
22	Moderate-Low	Statutory	Report on Mutual Water Companies	Prepare informational report on private mutual water companies consistent with AB 54	Pending
23	Moderate-Low	Administrative	Social Media	Establish internal guidelines manual in conjunction with expanding social media presence in communicating information	Pending
24	Moderate-Low	Administrative	SANDAG	Participate in SANDAG's Technical Working Group (TWG) and provide update to Commission	Pending
25	Moderate-Low	Administrative	Application Procedures	Streamline existing application packet to be more user-friendly	Pending
26	Low	Administrative	Mapping Outside Utility Services	Establish a new GIS layer to identify existing outside wastewater and water services approved by the Commission	Pending
27	Low	Administrative	Website Enhancement SGMA	Add a dedicated page to the LAFCO website addressing SGMA and related GSA activities in San Diego County	Pending
28	Low	Administrative	Website Enhancement Videos	Add video discussions on current LAFCO projects and key duties on the website and cross-connected to social media	Pending
29	Low	Administrative	Annual Local Agency Directory	Update and publish local agency directory building on the inaugural version published in 2021	Pending
30	Low	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service reviews and sphere actions	Pending



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5e

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Ruth Arellano, Executive Assistant
Erica Blom, Administrative Assistant

SUBJECT: Approval of Fund Balance Designations for 2021-2022

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review and consider making fund balance designations in 2021-2022. The total spendable fund balance as of July 1, 2021 was \$1,637,178. It is proposed the Commission increase its designation of committed monies for opportunity and stabilization uses over the prior fiscal year from \$550,000 to \$750,000 for reasons detailed. An additional \$125,000 would be assigned by the Executive Officer as provided under policy. The remaining balance – totaling \$762,178 – would be unassigned. It is recommended the Commission approve the designations as proposed.

BACKGROUND

Policy on LAFCO Fund Balance

San Diego LAFCO's Fiscal Policy 101 was adopted in June 2013 and comprehensively updated in May 2019 and addresses the Commission's responsibilities under Governmental Accounting Standards Board's Statement No. 54 and its provisions to provide uniform reporting of fund balances. The policy includes several discretionary standards set by the Commission in managing its fund balance relative to meeting its statutory requirements to

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plan and regulate local jurisdictions' boundaries and municipal services in San Diego County. This includes the regular task of the Commission to review and designate the spendable fund balance consistent with the following policy standards.

Committed Monies

The Commission shall designate fund balance monies as committed for either stabilization and/or opportunity uses in specified amounts subject to first satisfying the minimum reserve requirement as detailed below. Monies set aside for stabilization use are available to absorb unexpected costs or shortfalls incurred during the fiscal year. Monies set aside for opportunity use are available to pursue long-term efficiencies and costs-savings. Committed monies for stabilization and opportunity uses are deposited with the County Treasurer's Office in dedicated accounts.

Assigned Monies

The Commission delegates the Executive Officer to designate fund balance monies as assigned up to \$125,000 to cover special legal services as well as subsidize applicant fee reductions/waivers. This allowance is subject to the Commission first satisfying its minimum reserve requirement as detailed below. Assigned monies are deposited with the County Treasurer's Office in a dedicated account.

Unassigned Monies

The Commission shall designate fund balance monies as unassigned sufficiently to ensure no less than four months or 33.3% of budgeted operating expenses are readily available. The Commission shall similarly limit unassigned monies to no more than six months or 50.0% of budgeted operating expenses. The majority of unassigned monies are deposited with the County Treasurer's Office in a dedicated account with a small remainder held in a checking account with San Diego County Credit Union.

Insufficient or Excess Unassigned Monies

Should unassigned monies in the fund balance be less than three months of operating expenses the Executive Officer shall provide a plan for Commission approval to restore reserves within a three-year period. Should unassigned monies exceed six months of operating expenses the Executive Officer shall proportionally credit excess monies to the funding agencies based on their prior fiscal year contribution percentages.

The Commission is tasked under the policy to annually review and make appropriate classifications and related designations for the fund balance as needed.

DISCUSSION

This item is for San Diego LAFCO to perform its annual review and take related actions in making discretionary designations involving the spendable portion of the fund balance for the current fiscal year. This review is premised on the Executive Officer attesting all fund balance monies are currently spendable and not subject to external constraints or purposes. The proposed designations by the Executive Officer follows.

LAFCO Fund Balance As of July 1 st		
Classification	2020-2021	2021-2022
Committed		
... Opportunity	300,000	500,000
... Stabilization	250,000	250,000
Assigned	125,000	125,000
Unassigned *	1,015,769	762,178
... % of Operating Budget	60.0%	46.5%
TOTAL FUND BALANCE	1,690,769	1,637,178

- * The amount of unassigned monies is based on totaling all accounts and does not adjust for payments made but not deposited as of the date.
- * The designations for 2020-2021 were rolled over from 2019-2020 without Commission review due to an oversight by the Executive Officer. This oversight underlies why the unassigned portion of the fund balance exceeded the maximum amount of reserves – 50% - allowed in policy.

ANALYSIS

San Diego LAFCO remains in good financial condition and marked by a healthy fund balance total of \$1,629,083 as of the start of the new fiscal year. This balance provides the Commission with options under adopted policy beginning with ensuring a sufficient amount of unassigned monies are available for cash-flow purposes while also – pertinently – investing into LAFCO’s future in the form of flexible commitments (opportunity and/or stabilization). The proposed designations for 2021-2022 follows the prior fiscal year with the notable exception of increasing committed monies for opportunity use from \$300,000 to \$500,000. Staff believes this increase in opportunity monies is merited and provides additional resources to cover one-time purchases associated with the pending office move as well as fund potential online enhancements as part of a scheduled update to the LAFCO website.¹

RECOMMENDATION

It is recommended San Diego LAFCO approve the fund balance designations for 2021-2022 as detailed in the preceding sections. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

¹ Contemplated online service enhancements include – but not limited to – further streamlining/improving of the LAFCO website and providing public access to historical boundary change documents via an integrated GIS portal.

Alternative One (recommended):

- (a) Designate \$500,000 in committed monies within the fund balance for opportunity uses in 2021-2022.
- (b) Designate \$250,000 in committed monies within the fund balance for stabilization uses in 2021-2022.
- (c) Affirm and authorize the Executive Officer to designate \$125,000 in assigned monies within the fund balance in 2021-2022.
- (d) Designate all remaining monies in the fund balance as unassigned.

Alternative Two:

Continue to the next regular meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) F-101 Policy

FISCAL POLICY F-101

Subject

SAN DIEGO LAFCO FUND BALANCE

Purpose

This policy establishes guidelines and requirements for the classification of fund balances consistent with the Governmental Accounting Standards Board (GASB) Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Background

The term, “fund balance” is used to describe the difference between assets and liabilities reported within a fund. In the past, fund balances have been classified into three separate components: reserved, designated, and undersigned. Limitations were associated with these classifications with respect to the purpose and usage of funds. The force of these limitations could vary significantly, depending on the funding source.

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for implementation in 2011. This new standard does not affect the calculation of fund balance; however, it altered various components used to report it. There are also new categories and terminology reflected in an approach that focuses on the constraints placed on the specific purposes of the funds. GASB Statement Number 54 applies to governmental funds such as LAFCO’s General Fund.

With the shift of focus of GASB Statement Number 54, emphasis is now placed on the extent to which the government agency (LAFCO) is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than availability of fund resources. Under this new GASB, fund balances are classified as “non-spendable” and “spendable”. Spendable categories are further classified as *restricted, committed, assigned, and unassigned*. Definitions and LAFCO policies for non-spendable and spendable categories follow:

- *Non-Spendable*: Amounts that cannot be spent or are not in spendable form (i.e. prepaid items, land held for resale, long-term receivables), or are legally or contractually required to be maintained intact.

- *Restricted:* Amounts that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments. They may also be internally imposed by enabling legislation. Examples are debt service reserves, gas tax funds and grants.
- *Committed:* Amounts committed for specific purposes by formal action of the governing body, such as enacted ordinances and resolutions, which prevent the amounts from being used for any other purpose without the governing body's formal action. These also include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned:* Amounts intended to be used for specific purposes without formal action by the governing body. This authority to determine the portions of a fund's balance that is to be assigned and reported as "assigned" in the agency's audited financial statements may be delegated to the Executive Officer or the Executive Officer's designee.
- *Unassigned:* Amounts in the General Fund in excess of non-spendable, restricted, committed, and assigned fund balances. For LAFCO, the General Fund Contingency Reserve and remaining spendable amounts which are not included in one of the other classifications would be classified as "unassigned" for presentation in the audited financial statements.

Policy

It is the policy of the San Diego Local Agency Formation Commission to:

1. Classify its fund balance in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Reporting of fund balance in LAFCO's audited financial statements will be based on the amounts and classifications made by the Commission or its delegate as provided in this policy. Classification of fund balance reflects the current plans of the Commission with respect to the use of fund balance. These plans represent current intention and are subject to change and assignment. Furthermore, the classification of funds (reflecting current plans for asset use) does not in any way limit the ability to use those funds for other purposes, as deemed necessary by the Commission.

2. Classify monies in the fund balances as “*non-spendable*” and “*spendable*” consistent with GASB Statement Number 54. Spendable categories will be further classified as *restricted*, *committed*, *assigned*, and *unassigned* as described below.
 - a. Non-Spendable: The Commission shall designate fund balance monies as “non-spendable” for amounts that cannot be spent or are not in spendable form (i.e. prepaid items, land held for resale, long-term receivables), or are legally or contractually required to be maintained intact.
 - b. Restricted (Spendable): The Commission shall designate fund balance monies as “restricted” for amounts that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments. The Commission may also restrict fund balance if required by internally imposed enabling legislation or regulations.
 - c. Committed (Spendable): The Commission shall designate fund balance monies as “committed” for amounts intended for specific purposes by formal action within the following two categories:
 - i. Stabilization: these monies are committed to absorb unexpected costs incurred during the fiscal year and include – but not limited to – operating shortfalls, litigation, and controlling future increases in agency contributions.
 - ii. Opportunity: these monies are committed to pursue long-term efficiencies and/or related costs savings and include – but not limited to – Commission initiated proposals, capital purchases, prepayments, and transitional costs involving organizational restructuring.
 - d. Assigned (Spendable): The Commission delegates to the Executive Officer the authority to designate fund balance monies as “assigned” for specific purposes without formal action. This delegation is limited to \$125,000 per fiscal year and specific to legal expenses and costs associated with processing proposals with approved fee waivers.
 - i. The designation of assigned monies in cumulative excess of \$125,000 per fiscal year requires formal Commission approval.

- ii. The designation of assigned monies cannot result in unassigned monies falling below the minimum reserve level as described in this policy.
- e. Unassigned (Spendable): The Commission shall designate fund balance monies as “unassigned” for amounts that are in excess of non-spendable, restricted, committed, and assigned fund balances. Additionally:
 - i. The Commission shall maintain a minimum reserve level of unassigned monies equal to four months or 33.3% of budgeted operating expenses. These monies are intended to protect against cash flow shortfalls related to the timing of the collection of agency apportionments in the fiscal year.
 - ii. Should unassigned monies equal less than the minimum reserve level described in this policy, the Executive Officer shall present a restoration plan to the Commission for approval. The restoration plan shall provide options with a recommendation to replenish unassigned monies to meet the minimum reserve level within three fiscal years.
 - iii. The Commission shall maintain a maximum reserve level of unassigned monies equal to six months or 50% of budgeted operating expenses. Should unassigned monies exceed this maximum reserve level the Commission shall proceed to either designate the excess monies for committed uses or return to the funding agencies in the form of agency credits consistent with the provisions outlined in (e)(iv).
 - iv. Commission may authorize credits to reduce new agency apportionments as part of the annual budget process. Individual credit amounts shall be equal to the affected agency’s proportional share of overall invoiced apportionments in the current fiscal year.
- 3. Review the fund balance no less than once per fiscal year as part of the annual budget process and take action as appropriate under this policy.

Adopted: June 3, 2013
Amended: **May 6, 2019**



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

5f

AGENDA REPORT Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Tamaron Luckett, Commission Clerk

SUBJECT: **Service Commendation |
Former Commissioner Bill Wells with the City of El Cajon**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider formal action to recognize the service contributions of former Commissioner Bill Wells. This recognition follows the member's recent leave of office as a result of his term ending and involves the adoption of a draft resolution of commendation. Recommend approval.

BACKGROUND

On May 10, 2021, the Cities Selection Committee held a regular meeting to consider appointments to San Diego LAFCO. Consistent with its own policies, the Selection Committee took action to rotate its appointments on the Commission among the four regions. This included appointing Paul McNamara with the City of Escondido (north) to fill one of the two "regular" city seats on the Commission and in doing so succeeding the term completed by Bill Wells with the City of El Cajon (east). The Selection Committee similarly appointed Kristi Becker with the City of Solana Beach (north coast) to fill the "alternate" city seat vacated by Mr. McNamara. Mary Casillas Salas with the City of Chula Vista (south coast) remains the other regular city member on the Commission with a term through April 2023.

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Rincon del Diablo

Chair Andy Vanderlaan
General Public

Harry Mathis, Alt.
General Public

DISCUSSION

This item is for San Diego LAFCO to consider an action to formally recognize the service contributions of former Commissioner Bill Wells following the completion of his four-year term in May 2021.

ANALYSIS

Former Commission Bill Wells served with distinction and regularly contributed to advancing the work of the Commission during his four-year between May 2018 and May 2021. Adopting the resolution of commendation serves to officially memorialize these contributions in the record and would be presented to Mr. Wells at an upcoming meeting of the City of El Cajon.

RECOMMENDATION

It is recommended San Diego LAFCO recognize former Commission Bill Wells' service on the Commission and adopt the resolution of commendation consistent with the actions identified in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

- (a) Adopt the attached draft resolution of commendation for former Commissioner Bill Wells with any desired changes.
- (b) Direct the Executive Officer to present the adopted resolution of commendation to former Commissioner Bill Wells on behalf of the full Commission.

Alternative Two:

Continue to the next regular meeting and provide direction to staff as needed.

Alternative Three:

Take no action.

(continued)

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer,



Tamaron Luckett
Commission Clerk

Attachment:

- 1) Draft Resolution of Commendation for Bill Wells

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**RESOLUTION OF THE
SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
COMMENDING DISTINGUISHED SERVICE**

BILL WELLS

WHEREAS, the San Diego County Local Agency Formation Commission (LAFCO) was established by the Legislature in 1963 and responsible for regulating and planning orderly governmental boundaries and municipal service areas consistent with community needs; and

WHEREAS, Bill Wells with the City of El Cajon honorably served as a regular member on LAFCO as an appointee of the Cities Selection Committee from February 2018 to May 2021; and

WHEREAS, Bill Wells brought forth valuable perspectives as Mayor of the City of El Cajon when considering items before the Commission while remaining mindful of his obligations to exercise the independent judgment for the benefit of all San Diego County residents – present and future; and

WHEREAS, Bill Wells earned the respect and gratitude of his colleagues on the Commission and among LAFCO staff with his constructive approach in carrying out the business of the Commission with a focus on making local government more responsive; and

WHEREAS, LAFCO wishes Bill Wells continued happiness and success.

NOW, THEREFORE, BE IT RESOLVED, the members of LAFCO, individually and collectively, convey their appreciation to Bill Wells and acknowledge and commend the value his service has added to LAFCO and to the people of San Diego County.

The foregoing resolution was adopted by LAFCO at a public meeting held on August 2, 2021.

Andy Vanderlaan
Chair
Public Member

Jim Desmond
Vice Chair
County Member

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
Consent | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Tamaron Luckett, Commission Clerk

SUBJECT: CALAFCO Annual Conference Items

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider action items relating to the upcoming California Association of LAFCOs' (CALAFCO) Annual Conference scheduled for October 6-8th in Newport Beach. This includes a recommendation for the Commission to formally nominate Commissioner MacKenzie to seek re-election to the CALAFCO Board as well as appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively.

BACKGROUND

2021 CALAFCO Annual Conference

CALAFCO is hosting its Annual Conference beginning Wednesday, October 6th through Friday, October 8th at the Hyatt Regency in Newport Beach. The Annual Conference typically draws approximately 300 participants with representation from most of the 58 members. Preconference activities are planned and include an introductory workshop on LAFCO geared for new Commissioners. General session topics planned include LAFCO's role in post-pandemic municipal service planning. A preliminary program is attached.

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City of San Diego

Jo MacKenzie
Vista Irrigation

Barry Willis
Alpine Fire Protection

David Drake, Alt.
Rincon del Diablo

Andy Vanderlaan, Chair
General Public

Harry Mathis, Alt.
General Public

DISCUSSION

This item is for San Diego LAFCO (“Commission”) to consider two separate actions tied to the upcoming CALAFCO Annual Conference scheduled for October 6-8th in Newport Beach. These actions involve (a) making nominations for open Board seats for county and district members and (b) appointing voting delegates. An expanded discussion follows.

Board Nominations

The Commission is assigned to CALAFCO’s southern region with five other LAFCOs.¹ This region has one special district seat – which is currently held by Commissioner MacKenzie – and one county seat up for election in October. Terms for both of these seats expire at the end of the calendar year and CALAFCO invites LAFCOs to nominate candidates.² Terms are two years and nominations need to be signed by the respective LAFCO Chair and include a completed resume form for the candidate. Nominations must be submitted to CALAFCO by September 7th. Candidates may also be nominated from the floor by a voting delegate.

Appointment of Voting Delegates

Each LAFCO is responsible under CALAFCO bylaws to appoint a delegate and alternate delegate to participate in the Board elections and the subsequent business meeting held on the second day of the Annual Conference. The Board elections will be conducted by regions while the business meeting provides an opportunity for the entire membership to hear from, and ask questions to, CALAFCO regarding organization activities. Delegates may be an alternate or staff. Appointments must be submitted by September 14th.

ANALYSIS

Commissioner MacKenzie has expressed interest in continuing to serve on the CALAFCO Board as the region’s special district representative, and as such it would be appropriate for San Diego LAFCO to proceed in approving a formal nomination through the Chair. Michael Kelly with Imperial has separately expressed interest in serving another term as the region’s county representative and is expected to be nominated by his home LAFCO. It would be appropriate for the Commission to support Mr. Kelly’s candidacy for a new two year-term in the absence of interest from a San Diego member (Anderson, Desmond, or Vargas). Separately, Commissioners Vanderlaan and MacKenzie are both expected to attend the Annual Conference, and as tenured members it would be appropriate to appoint as delegate and alternate delegate, respectively.

¹ The other LAFCOs assigned to the southern region are Los Angeles, Orange, Imperial, Riverside, and San Bernardino.

² The incumbent for the county seat in the southern region is Michael Kelly with Imperial. Mr. Kelly is seeking re-election.

RECOMMENDATION

It is recommended San Diego LAFCO nominate Commissioner MacKenzie for CALAFCO Board as the region's special district representative. It is also recommended the Commission appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate, respectively, at the 2019 Annual CALAFCO Conference. These recommendations are provided as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Commission under a single motion:

Alternative One (recommended)

- (a) Nominate Commissioner MacKenzie as special district representative for the Southern Region on the CALAFCO Board for 2022-2023.
- (b) Appoint Commissioners Vanderlaan and MacKenzie as delegate and alternate delegate for the 2019 CALAFCO Annual Conference.

Alternative Two

Continue to a special meeting ahead of the September 7th deadline to submit formal nominations for the CALAFCO Board and provide additional direction to staff as needed.

Alternative Three

No action.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer,



Tamaron Lockett
Commission Clerk

Attachment:

- 1) Preliminary 2021 Annual Conference Program

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Announcing The 2021 CALAFCO Annual Conference

Hosted by CALAFCO

October 6 - 8

Hyatt Regency, Newport Beach

Conveniently located near the John Wayne Airport



Highly Relevant & Diverse General & Breakout Session Topics

- The New Era: State of the State in terms of extreme water and fire issues, and what it means for LAFCo* (Wed)
- Looming pension liabilities (Thu)
- City/District funding and property tax agreements (Thu)
- Post-pandemic workforce best practices for hiring staff (Thu)
- Hot topic facilitated breakouts – two rounds (Thu)
- The “bilities” of water and the LAFCo connection: Availability, accessibility, and portability (along with quality and state mandates)* (Wed)
- Cyber Security threats to LAFCos and local agencies* (Fri)
- Annual CALAFCO Legislative Update* (Fri)
- CALAFCO Annual Business Meeting (for all CALAFCO members)* (Thu)

*Note: The Program is subject to change.
Indicates General Session

Special Highlights

LAFCo 101

An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

**Wednesday from
10:00 a.m. to Noon**

Special Thursday afternoon session:

Hot Topic Roundtables

Join us for a special kind of breakout session format: **topical roundtables**. Choose the topics that are of most interest to you and join the conversation. This is a chance to share issues, existing best practice solutions, and create new and innovation solutions. Each round of the two-round breakouts will be approx. 50 mins.

Topical list still being prepared and may include LAFCo indemnification, sea level rise, pandemic recovery, local fire issues, local water issues.

**It's been 2 years since we've
seen you...are you missing
each other?**

**We've Created
Invaluable Networking
Opportunities for Reconnection!**

- Regional Roundtable discussions on current regional LAFCo issues
- Extended roundtable discussion for LAFCo legal counsel
- Networking breakfasts and extended breaks
- Welcome Reception Wednesday
- Thursday Pre-dinner Reception & breaks with Sponsors
- Awards Banquet Thursday

**Hyatt Regency Newport Beach
at the John Wayne Airport**



Make your reservations now at the **Hyatt Regency** at the special CALAFCO rate of \$194 (excludes tax and fees). Special rates available 3 days pre- and post-conference on availability, includes in-room wifi and parking.

Reservation cutoff date is 9/6/21.

**TO MAKE HOTEL RESERVATIONS,
PLEASE VISIT:** <https://www.hyatt.com/en-US/group-booking/SNARJ/G-CAL2> or call directly at 949-975-1234 and reference CALAFCO event.

Visit www.calafco.org for Conference details or call us at 916-442-6536.

**Mark your calendar and
plan to attend!**

**Registration is now open!
Visit www.calafco.org**

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT Consent | Information

August 2, 2021

TO: Commissioners

FROM: Linda Heckenkamp, Analyst II
Priscilla Allen, Analyst I

SUBJECT: Active Proposals and Related Activities

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying active proposals on file with the Commission as well as a summary of anticipated submittals based on ongoing discussions with local agencies. In all, there are currently 23 active proposals on file with 15 awaiting Commission hearing. The item is for information and concurrently satisfies LAFCO's reporting requirement to affected agencies for notification of proposal filings made by landowner or registered voter petitions.

BACKGROUND

Procedures and Timelines

LAFCO proceedings for consideration of proposed changes of organization or reorganizations are generally initiated by outside applicants (subject landowners or registered voters, and/or local affected agencies). LAFCOs may also initiate proposals specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Once formally filed, LAFCO staff proceeds with administrative reviews of the proposals and initiation of any related property tax exchange negotiations. On average, most proposals take four to six months before they are considered by the Commission.

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City of Solana Beach

Chris Cate
City of San Diego

Marni von Wilpert, Alt.
City of San Diego

Jo MacKenzie
Vista Irrigation

Barry Willis
Alpine Fire Protection

David Drake, Alt.
Rincon del Diablo

Chair Andy Vanderlaan
General Public

Harry Mathis, Alt.
General Public

DISCUSSION

This item provides San Diego LAFCO with its regular status review of active proposals on file. The item also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being submitted with LAFCO in the near term based on discussions with local agencies. It also serves to concurrently satisfy the Commission’s reporting requirement to provide notice on agendas to affected special districts when proposed annexations to their agencies are initiated by landowner or voter petitions.¹ General discussion of active and pending proposals follows and detailed in Attachment One.

Active Proposals

There are 23 proposals currently active and undergoing processing with San Diego LAFCO as of date. Current processing stages of these active proposals range from pre-Commission action (15) to post-Commission action (8) with the latter category representing items already approved but awaiting the completion of conducting authority proceedings or terms. The former category – pre-Commission action – also includes one new proposal since the last meeting in June and is identified below.

- “Mar Vista Island Annexation” |
Annexation to the City of Vista and concurrent detachment from the Buena Sanitation District and Vista Fire Protection District

Pending Proposals

There are five substantive proposals staff anticipates being submitted to San Diego LAFCO in the near future.² Four of these proposal filings are in North County and oriented to accommodate relatively large residential subdivision projects: Harvest Hills (Escondido); Sager Ranch (Escondido); Rancho Lomas Verdes (Vista); and Harmony Grove Village South (Rincon del Diablo). The fifth proposal involves the requested dissolution of CSA No. 69 and its ambulance services with the City of Santee and Lakeside Fire Protection District serving as joint successor agencies.

ANALYSIS

None.

RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

¹ Government Code Section 56857 directs LAFCOs to provide notice on agendas of any proposal involving special districts that have been initiated by landowners or registered voters. The agenda notification starts a 60-day period in which the affected special districts may request termination of the proceedings due to financial or service-related concerns.

² Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

ALTERNATIVES FOR ACTION

This item is being presented for information only; no action is necessary.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of staff,

A handwritten signature in black ink, appearing to read "Priscilla Allen". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Priscilla Allen
Analyst I

Attachment:

- 1) Active and Pending Proposal Applications as of July 23, 2021

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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)	Linda Heckenkamp	Application submitted in March 2006 to annex six parcels to the City of Escondido for wastewater service. In 2006, LAFCO approved two out-of-service agreements to allow the City of Escondido to provide wastewater service to two residences with failing septic systems located along Tobacco Road. The agreements between the City and landowners required the annexation of the two parcels. The proposal was deemed incomplete in April 2006 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Two of the affected landowners have responded to the letter and are now working with the City in determining if the other landowners are interested/willing to proceed with the annexation at this time. Ongoing discussions continue.
2	RO08-09 "South Mollison Ave-Snyder Reorganization" - City of El Cajon (Annexation)	Linda Heckenkamp	Application submitted in May 2008 for a proposed annexation to the City of El Cajon. The annexation area includes approximately 1.25 acres and is subject to a proposed multi-family residential project and was deemed incomplete in June 2008 status letter. A new status letter was sent in January 2018 to the applicant, new property owner, and City stating the proposal will be considered abandoned unless notified otherwise. No response from any of the interested parties to date. (Expected abandonment subject to pending policy authorization.)
3	DA08-10 "Avocado Way-Potter Annexation" - Vallecitos WD (Annexation)	Linda Heckenkamp	Application submitted in March 2008 for a proposed annexation to Vallecitos WD to obtain wastewater service for two existing residences along Avocado Way but deemed incomplete in April 2008 status letter. A new status letter was sent to the applicant in January 2018 stating the proposal will be considered abandoned unless notified otherwise. The current property owner has responded and conveyed their interest to proceed with the annexation. There have been ongoing discussions with Vallecitos WD as of 2018.
4	RO08-15 SA08-15 "Crestlake Estates Reorganization" - San Diego County SD (Annexation) - Lakeside FPD (Annexation) - CSA 69 (Annexation)	Linda Heckenkamp	Application submitted in May 2008 requesting a reorganization to provide wastewater services to an approved Tentative Map allowing the development of 60 single-family residences and was deemed incomplete in June 2008 status letter. A new status letter was sent to the applicant in February 2018 stating the proposal will be considered abandoned unless notified otherwise. No response to date. (Expected abandonment subject to pending policy authorization.)

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
5	DA12-02	"Lorch Annexation" - Borrego WD (Annexation)	Linda Heckenkamp	Application submitted in March 2012 to annex approximately 9.4 acres to the Borrego Water District to provide water service to one parcel within the District sphere. Application deemed incomplete in an April 2012 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Borrego WD responded to the letter and has reinitiated discussions with the landowner regarding possible service terms. Ongoing discussions with Borrego WD continue.
6	DA16-10	"CSA 17 Harmony Grove Annexation" - CSA 17 (Annexation)	Linda Heckenkamp	Application submitted in May 2016 to annex approximately 3,600 acres to CSA 17 for ambulance service and done so as a cross-condition of the Rancho Santa Fe Fire Protection District Reorganization: Dissolution of CSA No. 107 (Elfin Forest/Harmony Grove). The proposal was deemed incomplete in June 2016 status letter. The CSA 17 Advisory Committee has opposed the annexation. A negotiated property tax exchange agreement is also necessary. LAFCO staff met with the applicant in August 2019 to provide assistance and continues to discuss opportunities to proceed forward.
7	RO16-11	"Rancho Hills Annexation" - Rancho Santa Fe CSD (Annexation)	Keene Simonds	Application submitted in October 2016 to annex a portion of a 37-lot residential subdivision titled "Rancho Hills" to Rancho Santa Fe CSD for wastewater service. A concurrent latent power expansion for Olivenhain MWD is needed to accommodate sewer to the remaining project site. The proposal was deemed incomplete in November 2016 status letter. Applicant has requested the proposal processing 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 by landowner petition to annex two residential lots totaling approximately 5.07 acres to San Diego County Sanitation District for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff's analysis.

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
9	SA19-26 RO19-26 OAS19-26	“Valiano - Eden Valley Reorganization” - City of Escondido (Sphere Amendment and OSA) - San Marcos FPD (Annexation) - Rancho Fe FPD (Sphere Amendment & Detachment)	Keene Simonds	Application submitted in November 2019 by landowner petition and the City of Escondido. Proposal involves reorganization of approximately 10.76 acres with annexation to San Marcos Fire Protection District (FPD) and concurrent detachment and sphere exclusion from Rancho Santa Fe FPD; and, amendments to the spheres of influence for the Cities of Escondido (inclusion) and San Marcos (exclusion) for two unincorporated parcels totaling 82.9 acres and subject to a 240.6 acre County of San Diego-approved Specific Plan (TM-5575); and, approval of a contractual wastewater agreement between the landowner of the unincorporated Specific Plan area and the City of Escondido to extend City wastewater service to 326 single-family residences to be constructed within the Escondido sphere. The submitted proposal application is incomplete and pending staff’s analysis. (On January 27, 2020, the San Diego Superior Court overturned the County development approvals for the project. The applicant is appealing the Court decision and has requested LAFCO continue to process the reorganization.)
10	LP(E)19-27	“Fallbrook Public Utility District Latent Power Expansion - Park & Rec et,al.”	Keene Simonds	Application submitted in November 2019 by resolution seeking approval to activate Fallbrook PUD’s latent power to exercise park and recreation, street lighting and roads and street functions within its boundaries. The submitted proposal application is incomplete and pending receipt of additional documentation and this includes completion of a scheduled municipal service review for the Fallbrook-Rainbow region.
11	RO20-04	“Rainbow MWD – Eastern MWD Reorganization” – San Diego County Water Authority (Detachment) – Eastern Municipal Water District (Annexation)	Keene Simonds	Application submitted April 2020 by resolution from the Rainbow MWD to concurrently detach from the San Diego County Water Authority and annex to the Eastern MWD. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal.
12	RO20-05	“Fallbrook PUD – Eastern MWD Reorganization” – San Diego County Water Authority (Detachment) – Eastern Municipal Water District (Annexation)	Keene Simonds	Application submitted April 2020 by resolution from the Fallbrook PUD to concurrently detach from the San Diego County Water Authority and annex to the Eastern MWD. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal.

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
13	CO21-01	<p>“Sunset Drive Detachment”</p> <ul style="list-style-type: none"> - Vista Irrigation District (Detachment) - Vista Irrigation District (Sphere Amendment) 	Priscilla Allen	Application submitted in January 2021 by landowner petition and involves detachment of approximately 7.8 acres as a condition of development. The affected territory is undeveloped with a proposed development by the landowner of 48 townhomes. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff’s analysis.
14	RO21-03	<p>“Avion Reorganization”</p> <ul style="list-style-type: none"> - Olivenhain MWD (Latent Power Expansion) - Olivenhain MWD (Annexation) 	Priscilla Allen	Application submitted in March 2021 by resolution of the Olivenhain Municipal Water District (OMWD) seeking approval for latent power expansion of wastewater service and annexation of approximately 41.5 acres for wastewater service from the OMWD’s 4S Ranch Sewer Service Area. The affected territory is undeveloped with a proposed development of 84 multi-family residential units known as Avion. The proposal is scheduled for hearing on the August 2 nd Commission meeting.
15	RO21-04	<p>“Mar Vista Island Annexation”</p> <ul style="list-style-type: none"> - City of Vista (Annexation) - Buena Sanitation District (Detachment) - Vista Fire Protection District (Detachment) 	Priscilla Allen	Application submitted in July 2021 by resolution of the City of Vista seeking approval for reorganization of approximately 142 unincorporated acres known as the Mar Vista Island. Reorganization of the affected territory comprised of 108 parcels would involve annexation to the City of Vista and detachment from the Buena Sanitation District and Vista Fire Protection District. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff’s analysis.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
ACTIVE PROPOSALS POST COMMISSION ACTION			
16	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)	Linda Heckenkamp	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.
17	RO20-15 “Sunrise-Barham Drive Reorganization” - City of San Marcos (Annexation) - Vallecitos Water District (Annexation)	Linda Heckenkamp	Application submitted in July 2020 by landowner petition and involves annexation to the City of San Marcos and Vallecitos Water District of approximately 14.4 acres for wastewater and fire protection services. The affected territory has proposed development of 192 multi-family units. 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 December 7, 2020 and now pending recordation once all terms are satisfied.
18	RO20-16 “Sringeri Vidya Bharati Foundation Temple Reorganization” - Rincon Del Diablo Water District (Annexation)	Linda Heckenkamp	Application submitted August 2020 by resolution and involves annexation to the City of San Marcos and Vallecitos Water District of approximately 19.52 acres for water service. The affected territory has proposed development of a temple project. The proposal was approved by the Commission on October 5, 2020 and now pending recordation once all terms are satisfied.
19	RO20-18 “Plumosa Avenue Reorganization” - City of Vista (Annexation) - Vista Fire Protection District (Detachment)	Linda Heckenkamp	Application submitted in September 2020 by resolution of the City of Vista and involves annexation of approximately 0.7 acres for wastewater service. The affected territory is developed with a single-family residence. The proposal was approved by the Commission on April 5, 2021 and now pending recordation once all terms are satisfied.

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
20	RO20-21	<p>“Rancho Corrido RV Park Reorganization”</p> <ul style="list-style-type: none"> - Yuima Municipal Water District (Annexation) - San Diego County Water Authority (Annexation) - Metropolitan Water District (Annexation) 	Linda Heckenkamp	Application submitted in September 2020 by resolution of the Yuima Municipal Water District and involves annexation of approximately 31.0 acres for water service. The affected territory is developed with 20 mobile homes, 80 time-limited recreational vehicle (RV) spaces, and 20 RV spaces with 90-day time limits. The property includes an office, laundry, and swimming facilities. No new development is anticipated. The proposal was approved by the Commission on April 5, 2021 and now pending recordation once all terms are satisfied.
21	CO20-20 OAS20-20	<p>“Estrada – Viejas View Place Change of Organization”</p> <ul style="list-style-type: none"> - San Diego County Sanitation District (Annexation) 	Linda Heckenkamp	Application submitted in September 2020 by landowner petition and involves annexation of approximately 1.0 acres for wastewater service. The affected territory is developed with a single-family residence experiencing a failing septic. The submitted proposal application is incomplete and pending receipt of additional documentation from the applicant to complete staff’s analysis. OAS was ratified by the commission on the February 1 st agenda. The proposal was approved by the Commission on May 3, 2021 and now pending recordation once all terms are satisfied.
22	CO20-22	<p>“Chinese Bible Church Change of Organization”</p> <ul style="list-style-type: none"> - Rancho Santa Fe CSD (Annexation) 	Priscilla Allen	Application submitted in November 2020 by landowner petition and involves annexation of approximately 9.09 acres for wastewater service to a religious facility to be developed under a County-approved Major Use Permit. The proposal was approved by the Commission on June 7, 2021 and now pending recordation once all terms are satisfied.
23	CO21-02	<p>“Lagasse Change of Organization”</p> <ul style="list-style-type: none"> - Leucadia Wastewater District (Annexation) 	Priscilla Allen	Application submitted in February 2021 by resolution of the Leucadia Wastewater District and involves annexation of approximately 1.03 acres for wastewater service. The affected territory is developed with a single-family residence and is proposed to be subdivided into two parcels for the planned construction of a single-family residence. The proposal was approved by the Commission on June 7, 2021 and now pending recordation once all terms are satisfied.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be directed to Keene Simonds)			
24	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 if approved by Escondido. 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 presently 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 other service related issues have been communicated to the City and are currently under joint review with other local stakeholders. Project was originally titled as “Safari Highlands.”
25	Pending	“Rancho Lomas Verde Reorganization” - City of Vista	This anticipated reorganization proposal is undergoing development and environmental review by the City of Vista. The 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 other service related issues have been communicated to the City and are currently under joint review with other local stakeholders.
26	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 other service related issues have been communicated to the City and are currently under joint review with other local stakeholders.
27	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, 2020 the San Diego Superior Court overturned the County’s development approvals for the project. Appeals are pending with no update as of this report.

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
28	Pending	“CSA 69 Dissolution” - CSA 69 (Dissolution) - CSA 69 (Sphere Dissolution) - City of Santee - Lakeside Fire Protection District	Priscilla Allen	Pending application to be submitted by resolution of the County of San Diego seeking approval for dissolution of CSA 69 and its sphere consisting of 62.87 square miles – or 40,237 acres – in the communities of Pepper Drive, Bostonia and Lakeside. This proposal is pending formal submission of the application to proceed with staff’s analysis.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT Public Hearing

August 2, 2021

TO: Commissioners

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

SUBJECT: Proposed “Avion Reorganization” | Proposed Annexation to the Olivenhain Municipal Water District with Concurrent Expansion of an Activated Wastewater Service Area and Related Sphere of Influence Action (RO21-03)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a reorganization proposal filed by the Olivenhain Municipal Water District (OMWD) with the principal action to annex 41.5 acres of incorporated territory in the City of San Diego. A concurrent expansion of OMWD’s activated wastewater service area is also proposed. The proposal purpose is to establish OMWD wastewater services in the affected territory and facilitate the tentative approval of 84 multi-family dwelling units as part of the planned “Avion” subdivision. Staff recommends conditional approval of the reorganization as submitted with a conforming sphere amendment as well as waiving protest proceedings.

BACKGROUND

Applicant Request

San Diego LAFCO has received a reorganization proposal by resolution from OMWD requesting approval to reorganize and annex approximately 42 acres of incorporated territory within the City of San Diego. A concurrent expansion of OMWD’s activated wastewater service area to include the affected territory is also proposed. The affected

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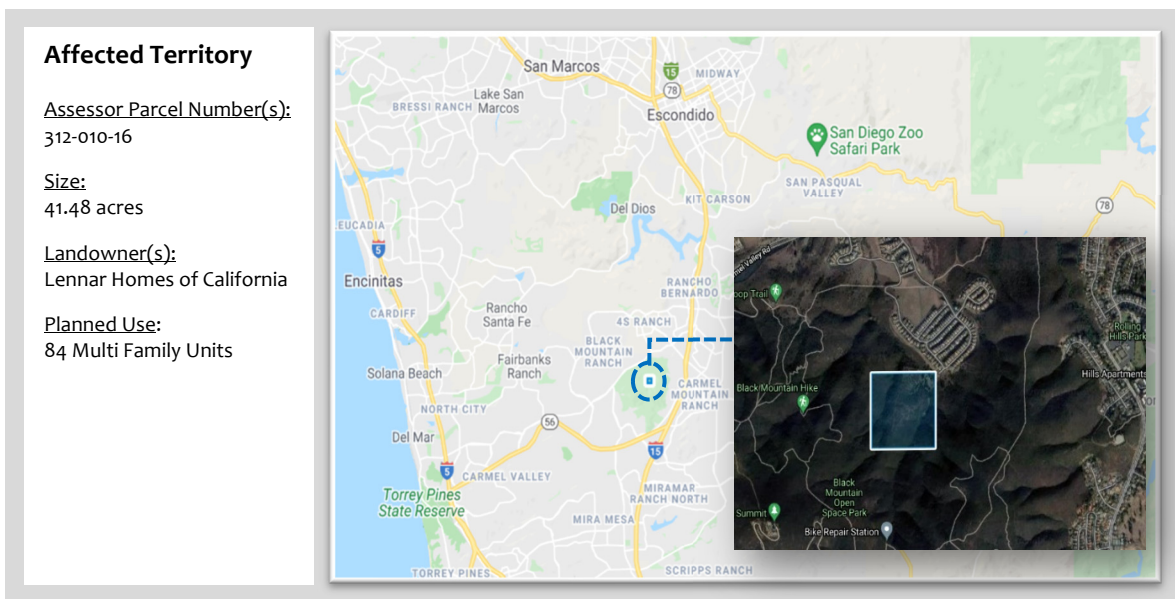
Chair Andy Vanderlaan
General Public

Harry Mathis, Alt.
General Public

territory as submitted includes one undeveloped incorporated parcel owned by Lennar Homes. The County of San Diego Assessor’s Office identifies the subject parcel as 312-010-16 and with an unassigned situs on Black Mountain Road.

Regional Setting

The affected territory lies entirely within the City of San Diego and part of the Black Mountain Ranch community. Carmel Valley Road provides arterial access to the affected territory and connects to Interstate 15 to the east (approximately 5 minutes) and Interstate 5 to the west (approximately 15 minutes). An aerial map of the affected territory and its regional setting follows. Attachment One shows the affected territory relative to the proposed boundary changes involving the subject agency (OMWD).



Subject Agencies

The proposed reorganization before San Diego LAFCO involves one subject agency: OMWD. A summary of the subject agency in terms of their governance, resident population, municipal functions, and financial standing follows.

- OMWD is an independent special district formed in 1959 with an estimated residential population of 72,882. The jurisdictional boundary spans 48.5 square miles and overlays the Cities of Encinitas, San Diego, and San Marcos as well as the unincorporated communities of 4S Ranch, Elfin Forest, and Rancho Cielo. A directly elected five-member Board of Directors governs OMWD and its five active municipal functions: water (potable and retail classes); wastewater (collection and treatment); hydroelectric generation; recycled water; and parks and recreation. All service functions are activated for the entire jurisdictional boundary with the exception of wastewater, which is presently restricted to an approximate 5,300-acre area in the 4S

Ranch, Rancho Cielo, and Black Mountain communities.¹ LAFCO established a sphere of influence for OMWD in 1984, which was last updated in 2013 and comprises an overall larger-than-agency designation.² OMWD’s audited net position is \$398.1 million as of June 30, 2020 and has increased by 1.8% over the prior three audited fiscal years.

Affected Local Agencies

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

- City of San Diego
- Metropolitan Water District of Southern California
- Olivenhain MWD (secondary sphere only)
- Palomar Health Healthcare District
- Pomerado Cemetery District
- Resource Conservation District of Greater San Diego County
- San Diego County Water Authority
- San Diego Unified Port District

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the proposed reorganization and the principal action to annex the affected territory to OMWD. A concurrent expansion of OMWD’s activated wastewater service area to include the affected territory is also proposed. The Commission may also consider applying conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion on proposal purpose, development opportunities, and Commission focus follows.

Proposal Purpose

The purpose of the proposed reorganization before San Diego LAFCO is to establish wastewater services within the affected territory from OMWD and in doing so facilitate the tentative approval and development of 84 multi-family dwelling units as part of the Avion project. The timing of this proposal follows the discretionary approval with conditions of the Avion project by the City of San Diego in September 2020 that includes a term requiring the developer (Lennar Homes) to establish wastewater service from OMWD. No other municipal service establishments are proposed given the affected territory is presently located within the City of San Diego and accessible to City services, such as water, fire protection and emergency medical services.

¹ LAFCO activated Olivenhain MWD’s wastewater services were established in 1998 in step with dissolving the 4S Ranch and Rancho Cielo Sanitation Districts and designating OMWD as successor. LAFCO also established a secondary service-specific sphere for OMWD for wastewater replicating the former boundaries of the 4S Ranch and Rancho Cielo Sanitation Districts.

² Less than 1.0% - or 192 acres – of the sphere is outside of the district and 1.0% - or 298 acres – of the district lies outside of its sphere.

³ State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

Development Potential

The City of San Diego’s General Plan designates most of the affected territory – 22.5 acres – as Low Residential and allows for two to five dwelling units per acre. The remaining 19 acres are designated as Resource Based Parks.⁴ The present zoning is Residential Single Unit (RS-1-14) and provides a minimum lot size of 5,000 square feet – or 0.115 acres. The adopted Black Mountain Ranch Subarea Plan (July 1998) assigns up to 117 dwelling units to the affected territory with 19 dedicated for affordable use (on or offsite). Avion’s conditional approval (September 2020) tiers from the Subarea Plan and involves 84 market-rate multifamily detached units in the affected territory. The balance of the remaining 33 units will be built as part of the Black Mountain Ranch Town Center and includes the 19 affordable units.⁵

Commission Focus

Three central and sequential policy items underlie San Diego LAFCO’s consideration of the proposed reorganization. These policy items take the form of determinations and orient the Commission to consider the interrelated merits of a (a) conforming sphere of influence action, (b) timing of the reorganization, and (c) whether modifications or approval terms are appropriate. The Commission must also consider other relevant statutes as detailed.

ANALYSIS

San Diego LAFCO’s analysis of the proposed reorganization is divided into two distinct subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section and headlined by analyzing the merits of amending OMWD’s sphere of influence and the reorganization itself. The second subsection considers other germane statutory issues required for LAFCO proposal consideration and this includes complying with the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 | Conforming Sphere of Influence Amendment

The proposed reorganization necessitates San Diego LAFCO consider a conforming sphere of influence action to achieve consistency with the requested jurisdictional changes as required under statute. The action involves amendment to the OMWD sphere of influence to include the affected territory and in doing so establish eligibility for the concurrent annexation and related expansion of the activated wastewater service area to proceed. Consideration of the amendment is premised on the Commission’s statutory responsibility to designate spheres to demark the affected agencies’ appropriate service areas relative to community needs as determined by the membership. This includes demarking the Commission’s expectation of exclusive responsibilities for one or more specified municipal services. Staff believes it would be merited for the Commission, accordingly, to proceed and

⁴ Resource-based Parks are defined by the City of San Diego as providing for recreational parks to be located at, or centered on, notable natural or man-made features (beaches, canyons, habitat systems, lakes, historic sites, and cultural facilities) and are intended to serve the citywide population as well as visitors.

⁵ Wastewater services for the 19 affordable housing units will be provided by the City of San Diego.

approve the conforming sphere amendment to fully recognize the Olivenhain MWD – and not City of San Diego – as the appropriate provider of wastewater services. This amendment compliments the 2017 action of the Commission to expand OMWD’s wastewater-specific sphere of influence to include the affected territory and recognizes the mutual social and economic interests among all three real parties of interest – City of San Diego, landowner, and OMWD – to proceed with a development.

CONCLUSION |

MERITS OF A CONFORMING SPHERE OF INFLUENCE AMENDMENT

Proceeding with the conforming action to amend OMWD’s sphere of influence to include the affected territory is sufficiently warranted. Justification is marked by the preceding analysis and supports the Commission’s determinations to designate OMWD as the appropriate and exclusive wastewater service provider for the affected territory going forward. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 | Reorganization Timing

The timing of the proposed reorganization before San Diego LAFCO – and specifically the dual action to annex the affected territory and add it to OMWD’s activated wastewater service area – appears appropriate. This conclusion draws from the analysis of the statutory factors required for consideration of proposed jurisdictional changes along with locally adopted Commission policies. Most of the prescribed review factors for the proposed reorganization focus on the service and financial capacities of the *receiving* agency, OMWD (emphasis added). A summary of key conclusions generated in the review of these proposal factors and applicable local policies follows.

- Service Needs

Reorganization of the affected territory is intended to extend OMWD’s wastewater service for the planned development of 84 multi-family dwelling units. Approval satisfies a condition by the City of San Diego for the landowner to proceed with the development project and serves as a preferred alternative to building new public infrastructure (pump station/force main) and associated costs (equipment and energy consumption) to accommodate connection to the City’s wastewater collection system. Additional details follow.

- The approved development involving the affected territory dates back to the late 1990s with the City of San Diego’s approval of the Black Mountain Ranch Subarea Plan and subsequently tiered in September 2020 with the tentative approval of the Avion development project.⁶ The approved development permits the

⁶ The 1998 EIR MMRP was prepared as part of the Black Mountain Ranch development – an adjacent development to the affected territory – and involved a sewer report which analyzed the proposed design of the sanitary sewer facilities.

construction of 84 multi-family dwelling units. Proceeding with the development is dependent on the establishment of public wastewater services.

- The proposed reorganization is a preferred alternative to the City of San Diego expanding public infrastructure and associated costs to support the planned development of the affected territory. The City and OMWD agree OMWD would be the more logical and efficient service provider due to the District’s infrastructure proximity to the project and will allow for discharge to naturally flow into the collection system.
- The affected territory’s landowner (Lennar Homes) has provided their written consent to the proposed reorganization in conjunction with their interest to proceed with the planned development. These factors help to quantify the appropriateness of the reorganization by syncing the timing of the jurisdictional changes with a known and existing need that supports City land use policies.
- Service Capacities and Levels
OMWD would directly assume wastewater service responsibilities for the affected territory upon reorganization. Staff’s review of OMWD shows it has sufficient capacity and related resources to readily accommodate demands in the affected territory at its planned uses without expanding any public infrastructure. Additional details follow.
 - OMWD projects the demand for the affected territory and its planned uses at a daily average of 0.0184 million gallons. This projection translates to approximately 219 gallons per day for each of the proposed 84 residential units. The projected daily demand equals approximately 1.5% of the available excess capacity currently available to Olivenhain MWD at its 4S Ranch Reclamation Treatment Facility. Actual service to the affected territory from Olivenhain MWD is accessible from an existing private collection pipeline located on Wine Creek Drive within the adjacent Heritage Bluffs Project.⁷
- Service Funding and Costs
Staff believes OMWD has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its planned uses without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Olivenhain MWD’s recent audited statements which shows – among other items – OMWD remained profitable over the last three audited fiscal years with an average total margin of 5.5%.

⁷ This project – approved by the Commission in 2017 – involved a resolution of application by the Olivenhain MWD to annex approximately 170-acres and a request to expand its activated wastewater service area to facilitate the development of 171 single residential dwelling units.

CONCLUSION | MERITS OF CHANGE OF REORGANIZATION TIMING

The timing of the reorganization involving annexation of the affected territory to OMWD with concurrent expansion of its activated wastewater service area is sufficiently warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the existing need for wastewater service for the affected territory through readily accessible public infrastructure and capacities. Additional analysis supporting the conclusion is provided in Appendix B.

Item No. 3 | Modifications and Terms

No modifications to the submitted reorganization have been identified by San Diego LAFCO staff meriting Commission consideration at this time. This includes noting annexation of the affected territory to OMWD and expansion of its activated wastewater service area would not result in any unserved corridors or other boundary irregularities for the subject agency. Staff is recommending applying standard terms of approval under Government Code Section 57302 along with incorporating the requested terms included in OMWD’s resolution of application, which are provided as Attachment Three.

CONCLUSION | MODIFICATIONS AND TERMS

No modifications to the proposed reorganization appear merited as detailed. Standard approval terms are recommended under Government Code Section 57302 along with incorporating all requested terms forwarded by OMWD.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the County of San Diego and subject agencies to submit an adopted resolution to LAFCO agreeing to accept the exchange of property tax revenues associated with the proposed reorganization. The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts without consultation unless the affected agencies request otherwise. Staff has confirmed the County has adopted a master enterprise district resolution applicable for the proposed reorganization. The County’s adopted master exchange resolution specifies no transfer of property taxes would occur following the proposed reorganization of the affected territory with OMWD.

Environmental Review

San Diego LAFCO is responsible under CEQA to assess whether environmental impacts would result from activities approved under the Commission’s authority. Accordingly, the Commission is tasked with making two distinct findings under CEQA in consideration the proposed reorganization. Staff’s analysis follows.

- San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the reorganization. It is recommended the Commission find this action – and specifically the amendment of the OMWD sphere to include the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.
- The City of San Diego serves as lead agency under CEQA for considering the reorganization and the concurrent annexation of the affected territory to OMWD and related expansion of OMWD’s activated wastewater service area as part of its discretion to approve the underlying development project. In this role as lead agency, on September 15, 2020 the City recertified and adopted a Notice of Determination and a supplement to an earlier certified 1998 Black Mountain Ranch Environmental Impact Report (EIR) and made findings that – and among other items – wastewater service by OMWD could be adequately provided. As responsible agency, San Diego LAFCO staff has reviewed the Supplemental EIR and associated documents and believes the City has made adequate findings for the Commission’s use in approving the reorganization and no further analysis is required under CEQA. Copies of the Supplemental EIR are available online on the LAFCO website.

Protest Proceedings

Protest proceedings for the proposed reorganization may be waived by San Diego LAFCO should the Commission proceed with an approval under Government Code 56662. The recommended waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law, the subject agency is the applicant and has not filed an objection to the waiver, and the landowner has provided consent to the proceedings.

RECOMMENDATION

Staff recommends San Diego LAFCO approve the proposed reorganization without modifications along with conforming sphere of influence action with specified terms based on the preceding analysis. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Adopt the attached draft resolution conditionally approving the reorganization proposal as submitted (without modifications) and conforming sphere of influence amendment for the subject agency. This includes making required findings under CEQA.

Alternative Two:

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

Alternative Three:

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

PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO’s agenda for action as part of a noticed public hearing. The following procedures are recommended in the consideration of this item:

1. Receive verbal presentation from staff unless waived.
2. Open the public hearing and invite comments from the applicant and general public.
3. Discuss item and consider the staff recommendation.

On behalf of the Executive Officer,



Pricilla Allen
Analyst I

Appendices:

- A) Analysis of Sphere of Influence Determinations
- B) Analysis of Proposal Review Factors

Attachments:

- 1) Vicinity Maps of the Affected Territory
- 2) Draft Resolution of Approval
- 3) Resolution of Application from Olivenhain MWD
- 4) Supplemental EIR – City of San Diego (Online Only)

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APPENDIX A

STATEMENT OF DETERMINATIONS SPHERE OF INFLUENCE FACTORS Government Code Section 56425

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

The affected territory as submitted involves one vacant and incorporated parcel within the City of San Diego. The subject parcel is 41.48 acres with a current entitlement to develop into an 84 multi-family dwelling unit residential subdivision. The affected territory contains open-space lands and have been incorporated into the rezoning and development plan. The project conserves approximately 19 acres – or 46% – of the 41.5-acre site for open space. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and planned land uses.

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

There is an existing need for public wastewater services within the affected territory to accommodate the planned development of a residential subdivision to include 84 multi-family dwelling units. Proceeding with the development is dependent on the establishment of public wastewater services in which OMWD is best situated to accommodate. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and probable service needs.

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

OMWD has existing infrastructure and related capacities to readily accommodate wastewater demands within the affected territory through the 4S Ranch Reclamation Facility consistent with the approved development and highlighted by the construction of 84 residential units. Projected demands for wastewater within the affected territory are not expected to consume more than 1.5% of OMWD’s existing excess capacities. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and adequate capacities.

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

LAFCO initially established relevant social and economic ties between the affected territory and OMWD in concert with adding the subject lands to OMWD’s wastewater-specific sphere of influence in 2006 and 2017. This earlier action was done in step in accommodating wastewater to the adjacent East Clusters and Heritage Bluffs projects within the Black Mountain Ranch area, respectively. Amending OMWD’s sphere of influence to include the affected territory syncs and strengthens these existing social and economic ties.

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

The affected territory and adjacent lands therein do not contain census tracts qualifying as a disadvantaged unincorporated community (DUC) under State statute or LAFCO policy.

APPENDIX B

PROPOSAL REVIEW FACTORS Government Code Section 56668

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

The affected territory comprises 41.48 of incorporated and undeveloped acres with no residents. Total assessed valuation for the affected territory is estimated by the County Auditor as \$194,946 with the last transaction in March 2021. The affected territory lies within Black Mountain Open Space Park in the City of San Diego and is approved for the development of 84 multi-family dwelling units contingent on the annexation to OMWD. Moderate growth is anticipated in the surrounding Black Mountain Ranch area within the next 10-year period and consistent with recent trends.

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

The City of San Diego acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, water, and public safety. This proposal affects only the wastewater service provision to the affected territory and is the focus of the succeeding analysis.

- **Extending Public Wastewater Service to the Affected Territory**

OMWD projects the proposed reorganization’s demand for the affected territory at its planned use at a daily average of 0.0184 million gallons. This projection translates to approximately 219 gallons per day for each of the proposed 84 residential units. The projected daily demand equals approximately 1.5% of the available excess treatment capacity currently available to OMWD. Actual service to the affected territory from Olivenhain MWD is accessible through an existing collection pipeline located within the adjacent Heritage Bluffs development on Wine Creek Drive.

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

Approving the reorganization proposal and annexing the affected territory to Olivenhain MWD and expansion of the activated wastewater service area would formalize existing economic and social interests between the District and the affected territory. These ties

were initially established with the Commission previously adding adjacent territory to Olivenhain MWD’s wastewater-specific sphere of influence in 2017. This latter action reflects the Commission’s standing policy expectation OMWD should ultimately accommodate and support future development through the provision of wastewater.

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

Approving the proposed reorganization and legal transfer of wastewater service responsibilities from City of San Diego to OMWD serves as a preferred alternative in LAFCO statute with respect to memorializing existing and long-term service commitments. The affected territory includes “open-space” as defined under LAFCO law; however, no new growth or development beyond the existing Avion project is associated with the proposed reorganization, therefore, no conflicts exist therein under G.C. Section 56377.

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

The affected territory does not contain “prime agricultural land” or “agricultural land” as defined under LAFCO law or further prescribed in local Commission policy. Specifically, the affected territory does not contain lands currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the reorganization proposal involving OMWD would have no effect on maintaining the physical and economic integrity of agricultural lands.

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description conforming to the referenced standards and address any modifications required by the Commission. Approval for the reorganization of the affected territory involving OMWD would not create any new service islands or corridors of unincorporated territory.

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

A notice of the proposed reorganization provided to the San Diego Association of Governments or SANDAG did not generate any comments, and as such no conflicts have been identified with respect to its regional transportation plan, San Diego Forward.

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

The primary purpose of the proposed reorganization before San Diego LAFCO is to extend wastewater service for a City of San Diego-approved development permit for an 84 multi-family dwelling unit subdivision. The planned residential uses are consistent with the City of San Diego General Plan, Black Mountain Ranch Subarea Plan and zoning designations.

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

See Appendix A.

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

Staff provided notice of the reorganization proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report for distribution on July 23, 2021.

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

Should the proposed reorganization be approved OMWD will assume legal responsibility to provide wastewater services to the affected territory and the planned development of the Avion project. This service is organized as an enterprise and will be financed using user fees. The staff analysis of OMWD’s last three audited statements show – among other items – the District has been effectively managed and reflected in an average total margin of 5.5%.

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

The affected territory is presently within the City of San Diego’s retail domestic water system with wholesale supplies provided by the San Diego County Water Authority. Approval of the proposed reorganization would not affect the timely availability of water supplies to the affected territory for the proposed residential uses.

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

The proposed reorganization would contribute 19 affordable housing units and would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands within the affected territory are already assigned to the City of San Diego by the region’s council of governments.

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

The affected territory contains 0 registered voters and qualifies as “uninhabited” as defined by LAFCO law (containing 11 registered voters or greater). Notice of the proposal and associated public hearing scheduled on August 2nd has been published in local newspapers with no comments received by the date of the agenda report.

o) Any information relating to existing land use designations.

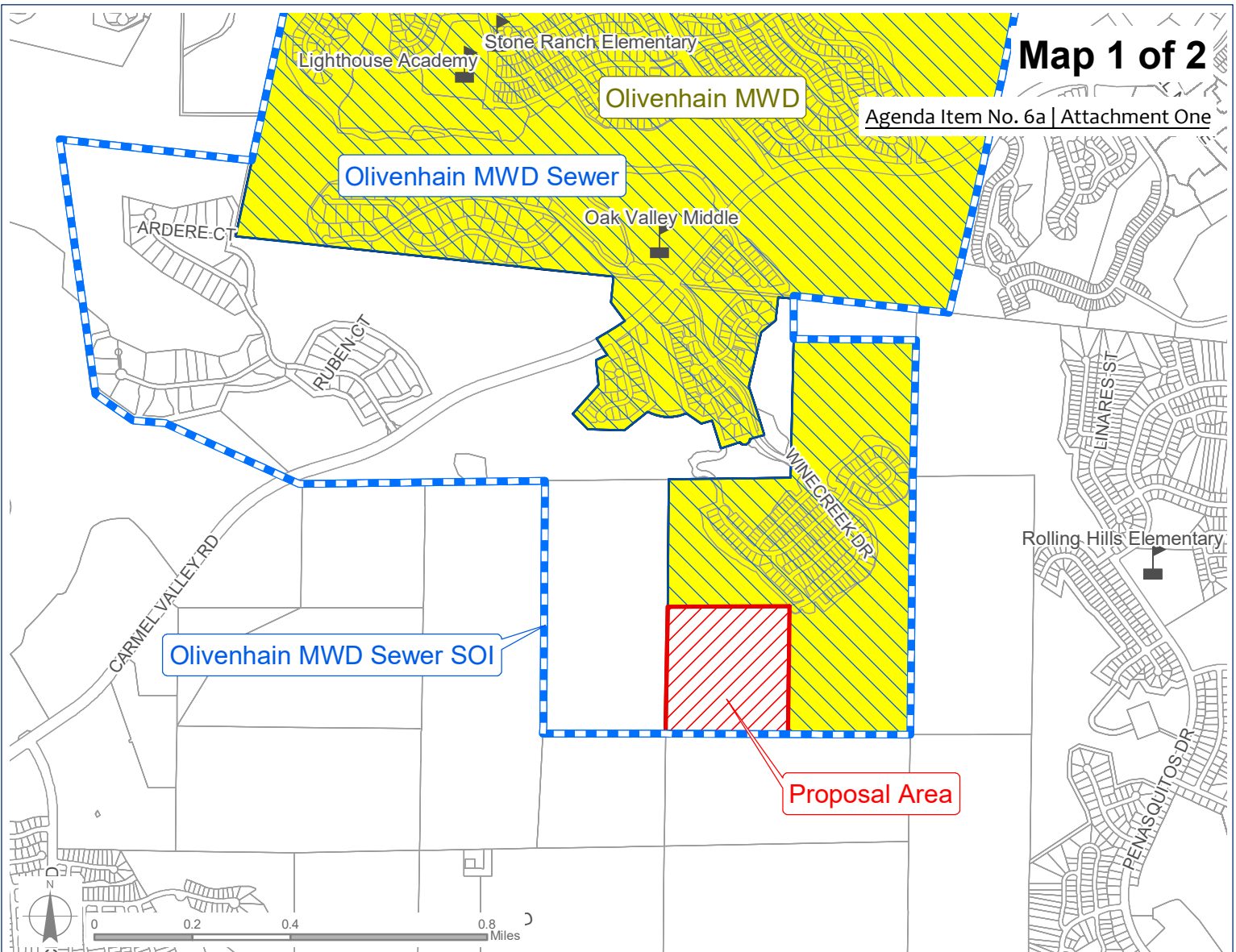
Please see above analysis for (h).

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

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

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

The City of San Diego participates in the San Diego County’s Multi-Jurisdictional Hazard Mitigation Plan. The County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies within “high risk” fire, earthquake, and flood hazard zones. Following the proposed reorganization, the City of San Diego would continue to provide fire protection and EMS service functions and responsibilities within the affected territory.



RO21-03

"AVION REORGANIZATION" | ANNEXATION TO OLIVENHAIN MWD WITH CONCURRENT LATENT SEWER EXPANSION OF WASTEWATER SERVICES

- Proposal Area
- Olivenhain MWD
- Olivenhain MWD Sewer
- Olivenhain MWD Sewer SOI
- SOI = Sphere of Influence

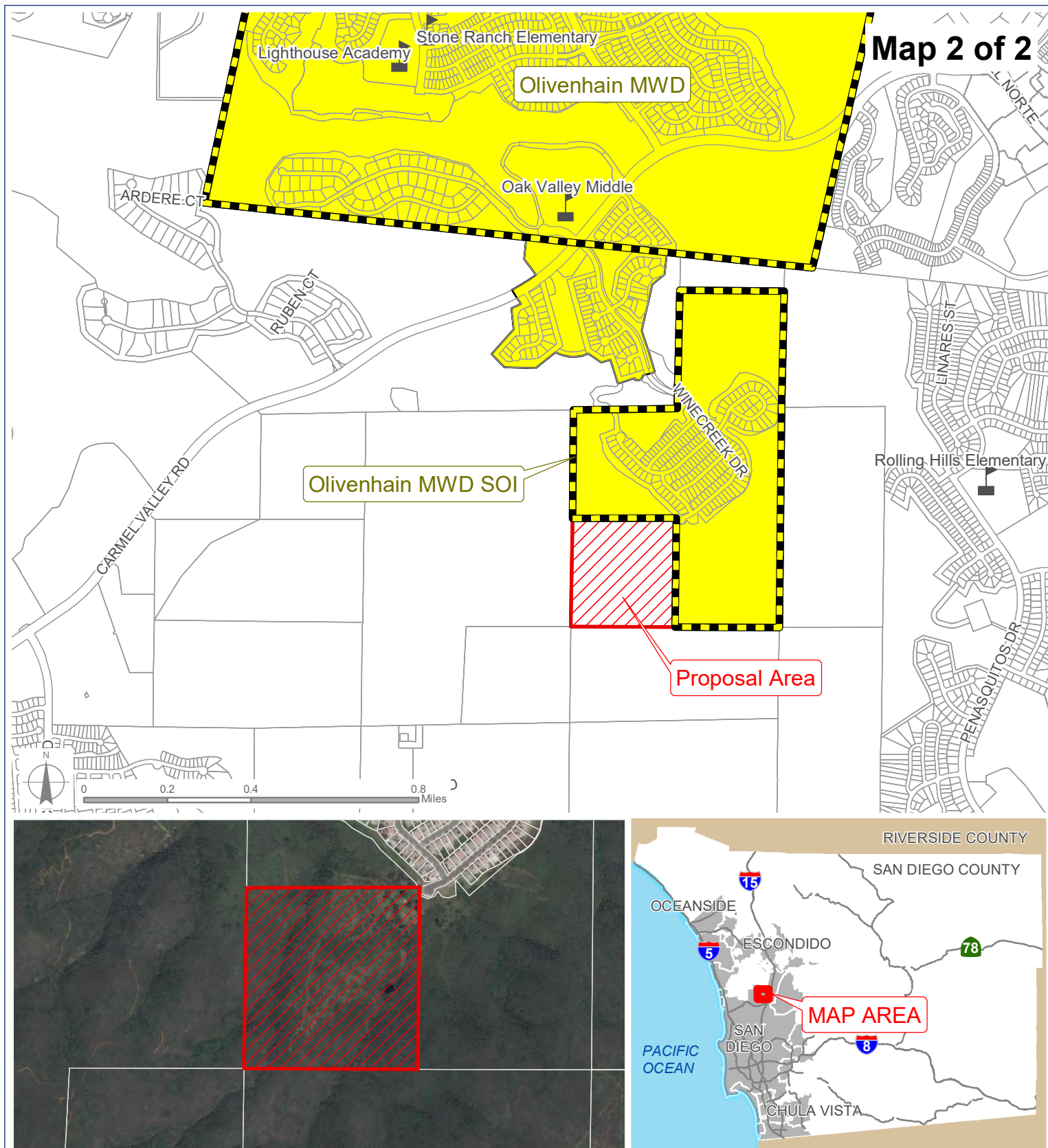


San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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RO21-03 "AVION REORGANIZATION" | ANNEXATION TO OLIVENHAIN MWD WITH CONCURRENT LATENT SEWER EXPANSION OF WASTEWATER SERVICES

- Proposal Area
 - Olivenhain MWD
 - Olivenhain MWD SOI
- SOI = Sphere of Influence



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

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RESOLUTION NO. _____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

“AVION REORGANIZATION”

**ANNEXATION TO THE OLIVENHAIN MUNICIPAL WATER DISTRICT
WITH CONCURRENT EXPANSION OF ACTIVATED WASTEWATER SERVICE AREA AND
RELATED SPHERE OF INFLUENCE ACTION
LAFCO FILE NO. RO21-03**

WHEREAS, on March 9, 2021, Olivenhain Municipal Water District (MWD) filed a resolution of application to initiate proceedings with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application seeks approval of a reorganization for the primary purpose of annexing approximately 41.5 acres of incorporated territory within the City of San Diego to the Olivenhain MWD; and

WHEREAS, the reorganization also proposes the expansion of Olivenhain MWD’s activated wastewater service area to include the affected territory; and

WHEREAS, the affected territory as proposed includes one undeveloped parcel identified by the County of San Diego Assessor’s Office as 312-010-16; and

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the proposal on August 2, 2021; and

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

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

1. The public meeting was held on the date set therefore, and due notice of said meeting was given in the manner required by law.
2. At the public meeting, the Commission considered the Executive Officer's report.
3. The Commission serves as responsible and lead agency under the California Environmental Quality Act (CEQA) in considering the two distinct "projects" associated with the proposed reorganization and as detailed in the Executive Officer's report: (a) reorganization and (b) the related conforming sphere of influence action. The Commission's findings follow.
 - a) The City of San Diego serves as lead agency under CEQA for considering the reorganization and the concurrent annexation of the affected territory to Olivenhain MWD and related expansion of OMWD's activated wastewater service area as part of its discretion to approve the underlying development project. In this role as lead agency, on September 15, 2020 the City recertified and adopted a Notice of Determination and a supplement to an earlier certified 1998 Black Mountain Ranch Environmental Impact Report (EIR) and made findings that – and among other items – wastewater service by OMWD could be adequately provided. As responsible agency, San Diego LAFCO staff has reviewed the Supplemental EIR and associated documents and believes the City has made adequate findings for the Commission's use in approving the reorganization and no further analysis is required under CEQA.
 - b) San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the reorganization. It is recommended the Commission find this action – and specifically the amendment of the Olivenhain MWD sphere to include the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.
4. The Commission APPROVES an amendment to Olivenhain MWD's sphere of influence to include the affected territory as further shown and described subject to all conditions below and in doing so makes the statements provided as Exhibit "A."
5. The Commission APPROVES the reorganization without modifications and subject to conditions as provided. Approval involves all of the follow:
 - a) Annexation of the affected territory to the Olivenhain MWD as shown in Exhibit "B-1" and described in Exhibit "B-2."
 - b) Addition of the affected territory to Olivenhain MWD's activated wastewater service area as shown in Exhibit "B-1" and described in Exhibit "B-2."

6. The Commission CONDITIONS all approvals on the following terms being satisfied by August 2, 2022 unless an extension is requested and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
 - c) Submittal to the Commission of the following payments:
 - A check made payable to LAFCO in the amount of \$50.00 for the County of San Diego-Clerk Recorder to reimburse for filing a CEQA Notice of Exemption consistent with the findings in the resolution.
 - A check made payable to the State Board of Equalization for processing fees in the amount of \$1,200.00.
 - A check made payable to San Diego LAFCO in the amount of \$658.50 to reimburse the public hearing notice published in the San Diego Union Tribune.
 - d) Submittal of confirmation to the Executive Officer from Olivenhain MWD that all respective MWD terms and conditions set forth in its resolution of application have been satisfied.
7. The Commission assigns the proposal the following short-term designation:

“Avion Reorganization”
8. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
9. The Commission waives conducting authority proceedings under Government Code Section 56662.
10. Olivenhain MWD is a registered-voter district.
11. Olivenhain MWD utilizes the County of San Diego assessment roll.
12. The affected territory will be liable for any existing bonds, contracts, and/or obligations of Olivenhain MWD as provided under Section 57328.

13. The effective date of the approval shall be the date of recordation but not before the completion of a 30-day reconsideration period and only after all terms have been completed as attested by the Executive Officer.
14. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defects, errors, irregularities, or omissions.
15. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Sections 56880-56882 of the Government Code.
16. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on August 2, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Attest:

Keene Simonds
Executive Officer

EXHIBIT A
SPHERE OF INFLUENCE DETERMINATIONS

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

The affected territory as submitted involves one vacant and incorporated parcel within the City of San Diego. The subject parcel is 41.48 acres with a current entitlement to develop into an 84 multi-family dwelling unit residential subdivision. The affected territory contains open-space lands and have been incorporated into the rezoning and development plan. The project conserves approximately 19 acres – or 46% – of the 41.5-acre site for open space. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and planned land uses.

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

There is an existing need for public wastewater services within the affected territory to accommodate the planned development of a residential subdivision to include 84 multi-family dwelling units. Proceeding with the development is dependent on the establishment of public wastewater services in which OMWD is best situated to accommodate. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and probable service needs.

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

OMWD has existing infrastructure and related capacities to readily accommodate wastewater demands within the affected territory through the 4S Ranch Reclamation Facility consistent with the approved development and highlighted by the construction of 84 residential units. Projected demands for wastewater within the affected territory are not expected to consume more than 1.5% of OMWD's existing excess capacities. Amending the sphere of influence to include the affected territory into OMWD is consistent with these present and adequate capacities.

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

LAFCO initially established relevant social and economic ties between the affected territory and OMWD in concert with adding the subject lands to OMWD's wastewater-specific sphere of influence in 2006 and 2017. This earlier action was done in step in accommodating wastewater to the adjacent East Clusters and Heritage Bluffs projects within the Black Mountain Ranch area, respectively. Amending OMWD's sphere of influence to include the affected territory syncs and strengthens these existing social and economic ties.

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

The affected territory and adjacent lands therein do not contain census tracts qualifying as a disadvantaged unincorporated community (DUC) under State statute or LAFCO policy.

EXHIBIT B-1
MAP OF THE AFFECTED TERRITORY

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EXHIBIT B-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

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RESOLUTION NO. 2020-26

A RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR:

- 1) A REORGANIZATION CONSISTING OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S SEWER LATENT POWERS; AND
- 2) AN AMENDMENT OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S 4S RANCH SANITATION DISTRICT SEWER SPHERE OF SERVICE TO INCLUDE THE AVION PROJECT, COUNTY OF SAN DIEGO ASSESSOR'S PARCEL NO. 312-010-16-00

WHEREAS, the Board of Directors of the Olivenhain Municipal Water District (District) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, and pursuant to California Government Code Section 56654 to provide sewer service to the Avion project (Project) proposed by Lennar Homes of California, Inc.; and

WHEREAS, the proposed reorganization of approximately 41.5 acres consists of the following jurisdictional changes:

1. Latent Powers Expansion for sewer service
2. Annexation to the Olivenhain Municipal Water District; and

WHEREAS, the territory subject to the proposed reorganization is uninhabited; and

WHEREAS, the Local Agency Formation Commission (LAFCO) has previously granted latent powers to the District for the provision of sewer services consisting of the collection, treatment, reclamation, and disposal within specified areas of the District; and

WHEREAS, water service is proposed to be supplied by the City of San Diego, the Project is located adjacent to the District's 4S Ranch Sanitation District, and the Project is currently within the Sewer Sphere of Influence of the Olivenhain Municipal Water District; and

WHEREAS, approval of the reorganization would provide for the extension of sewer service from the 4S Ranch Sanitation District Sewer Service Area to the proposed development of 84 multi-family homes in the City of San Diego; and

WHEREAS the proposed sphere of influence action and reorganization are:

1. The expansion of the District's sewer latent powers of approximately 41.5 acres to include the project as geographically described in Exhibit "A" and shown in Exhibit "B".
2. The annexation of approximately 41.5 acres to the Olivenhain Municipal Water District's 4S Ranch Sanitation District Sphere of Service

WHEREAS, the following reasons support the District's approval of the proposed Latent Powers Expansion and Annexation;

1. The Project is located on vacant land, is uninhabited, and is within the City of San Diego. The City of San Diego will provide water and fire protection services to the Project. The Project is within the 4S Ranch Sanitation District's Sewer Sphere of Influence.
2. The Project is adjacent to the 4S Ranch Sanitation District and will flow by gravity into the District's existing sewer infrastructure, via sewer improvements constructed by the Heritage Bluffs II and Black Mountain Ranch East Clusters projects.
3. The Project would require additional facilities for sanitary discharge to flow to the City of San Diego. The City of San Diego agrees the District can more efficiently provide sewer services than the City of San Diego due to topography and access to District facilities. The City of San Diego Council approved the Project in September 2020 as being served sewer service from the 4S Ranch Sanitation District.
4. The 2.0 million gallon day (MGD) 4S Ranch Water Reclamation Facility is currently processing approximately 1.02 MGD and has ample capacity available for the Project and the 4S Neighborhood 1 Sewer Pump Station Replacement Project was designed to receive potential flows from the Project.
5. The District has sufficient conveyance and treatment capacity to accommodate the 84 multi-family dwelling units.

WHEREAS, the District hereby requests that LAFCO make conforming changes to the June 2013 4S Ranch Sanitation District Sewer Service Sphere map to clarify the Project is within the Sewer Service Sphere; and

WHEREAS, the District requests that the proposed reorganization be subject to the following terms and conditions:

1. Lennar Homes of California, Inc. will be required to pay all applicable sewer capacity and annexation fees, and all other fees and charges of the District in accordance with the District's Administration and Ethics Code, Article 28.
2. Lennar Homes of California is required to provide all fee sites and easements as required by the District for construction of on-site and off-site facilities as required by the District, in its sole discretion.
3. Lennar Homes of California is required to construct all on-site and off-site sewer facilities as required by the District, in its sole discretion.
4. A portion of the onsite facilities designed by Lennar Homes of California, Inc. do not meet District design standards and shall remain private, to be owned, maintained and operated by Lennar Homes of California and all successor entities to the Project.

5. Lennar Homes of California shall file all Covenants, Conditions and Restrictions (CC&Rs) pertaining to the Project's private sewer system with the District prior to recordation of the LAFCO action. At the Board's discretion, the General Manager shall formally accept or revise and return within 30 days of receipt of the CC&Rs. The CC&Rs will contain at a minimum:
 - A. An exhibit clearly identifying the approximately 0.57 miles of pipeline and 21 manholes that make up the private sewer system (System).
 - B. Maintenance guidelines for System.
 - C. Maintenance obligations for the System including but not limited to annual inspections; and hydro evacuation line cleaning and closed circuit television videoing every three years and provide written documentation upon the District's request.
 - D. Obligation to fund and maintain a replacement fund for the System based on an anticipated 50 year life expectancy of the System.
 - E. Acknowledgement that Lennar Homes of California, Inc., or its successors or assigns, is responsible for all spills and the District is under no obligation to respond and any expenses incurred by the District while responding to a spill will be reimbursed by Lennar Homes of California, Inc., or its successors or assigns.
 - F. Compliance with the Article 28 of the District's Administrative and Ethics Code and Rules and Regulations for the Use of District Sewerage Facilities.
 - G. Compliance with the Rules and Regulations for billing of sewer services provided by the District based on Cost of Service
6. Lennar Homes of California, Inc. complete a sewer study showing the impacts of the Project that has been approved by the District.
7. Lennar Homes of California, Inc. will pay the District for all staff time, engineer's time, attorney fees, and consulting fees and costs incurred in the effort to obtain this approval.
8. Lennar Homes of California, Inc. will be required to comply with all LAFCO terms and conditions and to pay all LAFCO fees and charges.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Olivenhain Municipal Water District that Olivenhain Municipal Water District is a public agency under the laws of the State of California; and

BE IT FURTHER RESOLVED, the Board of Directors of the Olivenhain Municipal Water District does hereby find, determine and order as follows:

SECTION 1: The foregoing facts are found and determined to be true and correct.

SECTION 2: The Board of Directors of the Olivenhain Municipal Water District finds that

RESOLUTION NO. 2020-26 *continued*

reasons for the proposed expansion of latent powers and annexation to the 4S Ranch Sanitation District sewer service area are to provide sewer collection and treatment services for the Avion project; to enable the Olivenhain Municipal Water District to provide consistent and efficient public sewer service to the area; to promote and provide a program of total resource management which encompasses potable water, municipal wastewater, water reclamation, and reuse.

SECTION 3: The District has adequate sewer capacity to service the project.

SECTION 4: The Board of Directors of the Olivenhain Municipal Water District directs the General Manager to file a certified copy of this Resolution with the LAFCO and request LAFCO take proceedings for the reorganization involving expansion of latent powers and annexation authorized by the District to serve the Avion project as described in Exhibit "A" and shown in Exhibit "C", according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg local Government Act of 2000.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of Olivenhain Municipal Water District held on December 9, 2020.


Edmund K. Sprague, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:


Kimberly A. Thorner, Assistant Secretary
Board of Directors
Olivenhain Municipal Water District



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

7a

AGENDA REPORT Business | Discussion

August 2, 2021

TO: Commissioners

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

SUBJECT: Draft Municipal Service Review on the Ramona Region

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a draft municipal service review on the Ramona region. The draft has been prepared as part of the adopted workplan and independently assesses the availability, need, and adequacy of key public services provided in the region and specifically by the principal local government subject to Commission oversight – Ramona Municipal Water District (MWD). This includes preparing determinations addressing the factors required in statute as part of the municipal service review process as well as to inform other LAFCO decision-making – including future boundary changes and sphere of influence updates in the region. The draft is being presented for discussion and feedback ahead of staff initiating a formal public review.

BACKGROUND

Municipal Service Reviews

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

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General Public

Harry Mathis, Alt.
General Public

sphere of influence updates and may also lead the Commission to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts. These documents also serve as an opportunity for the Commission to telegraph and encourage community discussion and/or action on future jurisdictional changes.

Adopted Workplan | Municipal Service Review on the Ramona Region

San Diego LAFCO's 2020-2021 workplan was adopted at a noticed hearing in May 2020 and outlines specific project goals for the fiscal year. This includes preparing a municipal service review on the Ramona region with specific focus on the Ramona MWD. This project has been administratively extended into 2021-2022 by the Executive Officer consistent with a request from Ramona MWD.

DISCUSSION

This item is for San Diego LAFCO to review the draft municipal service review on the Ramona region consistent with the adopted workplan and ahead of staff initiating a formal 45-day public comment period. Similarly, it is also an opportunity to receive initial comments from stakeholders in the region – including Ramona MWD and the Ramona Community Planning Group – and other interested parties and individuals. Feedback received will be incorporated by staff as appropriate into a final municipal service review presented for future action as early as October to formally file along with an accompanying resolution codifying the determinative statements. An associated sphere of influence update for the Ramona MWD will also be presented with the final municipal service review.

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

ANALYSIS

The staff analysis on the draft municipal service review on the Ramona region is summarized in Attachment One. The complete draft report is provided as Attachment Two.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

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

PROCEDURES

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

- 1) Receive verbal presentation from staff unless waived.
- 2) Invite comments from interested audience members.
- 3) Discuss item and provide feedback as requested.

On behalf of the Executive Officer,



Priscilla Allen
Analyst I

Attachments:

- 1) Summary on Draft Municipal Service Review on the Ramona Region
- 2) Draft Municipal Service Review Report on the Ramona Region

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Municipal Water District RAMONA REGION DRAFT

REPORT SUMMARY | August 2021



Central Themes and Conclusions

The Ramona region represents one of the largest and growing unincorporated communities in San Diego County with a current estimated population of 37,708 – an amount that exceeds 5 of the 18 cities. The region’s status as a prominent unincorporated area dates to the 1840s and the arrival of community patriarchs Joaquin Ortega and Adolpho Stokes and the subsequent establishment of a stagecoach stop and adjoining general store to accommodate travelers going to and from the goldmines to the east in Julian. The region began transitioning to a stand-alone destination at the turn of the century and marked by outside investments and ensuing subdivisions recorded by the Santa Maria Land and Water Company. This transition was headlined by the official naming of the community as “Ramona” with the permanent population reaching approximately 1,000 by 1900 – which at the time made Ramona the largest unincorporated area in all of San Diego County.

The County of San Diego remained the lone source of local government for the Ramona region through the start of the new century until the formation of the Ramona Irrigation District (1925) and its construction of the first community water system. Markedly, the formation of the Ramona Irrigation District paralleled initial community discussions on incorporation and subsequently supplemented by additional special district formations to expand the scope of local government in the region to include the Ramona Fire Protection District (1946), Ramona Sanitation District (1946), Ramona MWD (1958), and Mt. Woodson Ranch Sanitation District (1988). Ramona MWD’s proved most consequential, and through a combination of latent power activations and consolidations it has emerged as the singular provider of potable water, wastewater, fire protection and emergency medical, parks and recreation, and recycled water in the region.



Beautiful
Lake Ramona
in San Diego

Today the Ramona region serves as a unique community separator in San Diego County with urban uses to the west and non-urban uses to the east. Ramona itself remains largely rural with the notable exception of the central “village” area located along Main Street, which increasingly includes several financial, retail, and restaurant franchises and serves as the region’s social and economic hub.

A review of the Ramona region relative to San Diego LAFCO’s growth management tasks and interests as prescribed under statute produces eight central themes or conclusions. These conclusions focus – albeit not exclusively – on the availability, need, and adequacy of municipal services by Ramona MWD as the central service provider in the region. The conclusions are independently drawn and largely sourced to information collected and analyzed by the Commission between 2015 and 2019 and further detailed in the agency profile (Chapter Three).

Ramona MWD has emerged as the central municipal service provider in the region and its core activities – specifically water, wastewater, fire protection – and adequacies therein are essential in supporting current and future growth.

1 Evolving Community Character

Ramona's community character continues to evolve and most notably towards a more traditional suburb setting with urban-type landscapes. This transition is reflected in the relatively high population growth rate in the region over the report period at 1.1% annually, which is more than one-fifth above the countywide average. The population is also increasingly more affluent than past generations with the average median household income equaling \$92,543 at the end of the five-year report. This median income is more than two-fifths above the corresponding rate for all of San Diego County and – and among other factors – aided by the 17% increase in four-year college graduates over the 60-month period.



2 Expanded and Centralized Role of Ramona MWD

Ramona's evolving community character towards more traditional suburban uses has relatedly generated additional demands and expectations on local government in the region. Ramona MWD has affirmatively responded to these changes over its 60-year plus history and through a combination of consolidations and latent power expansions evolved into a multi-purpose agency and now the centralized provider of water, wastewater, fire protection and emergency medical, parks and recreation, and recycled water in the region. Further expansions – however and irrespective of any merit – is limited under the principal act.

3 Adequate Service Capacities at MWD with One Notable Exception

As the principal municipal service provider in the region, Ramona MWD has developed adequate infrastructure capacities and related administrative controls to meet current and projected demands in the timeframe of this report with one exception. This exception involves meeting wastewater demands within the Santa Maria service area, which covers central Ramona and now regularly exceeds capacities during high-rain periods due to excessive inflow (surface) and/or infiltration (groundwater) intrusion.

4 Need for Capital Improvement Investments within MWD

Notwithstanding the overall adequacy of current municipal service capacities, Ramona MWD would benefit from additional investment into its capital assets with specific focus on remedying the increasing and varying pipeline ages involving both its water and wastewater systems. Capital planning and investment in parks and recreation is also merited and includes addressing improvements to the Wellfield Park and its Community Center and Rodeo Arena.

5 MWD's Positive Financial Standing

Ramona MWD improved its financial standing during the report period as measured by its audited net position with an overall 12% increase from \$86 to \$105 million. This improvement largely ties to Ramona MWD achieving an average annual bottom line – or total margin – and contributes to an ending unrestricted fund balance sufficient to meet 18 months of operating expenses. Ramona MWD also finished the period with a relatively well-funded employee pension program with a composite funded ratio of 80 percent.

6 Advancing Regional Fire Protection Services

Existing fire protection and emergency medical service in the Ramona region are equally divided between two special districts: Ramona MWD and San Diego County FPD. Both special districts choose to contract with CALFIRE for day-to-day field operations. This common arrangement – notably – suggest consolidating fire protection responsibilities under the San Diego County FPD’s economies of scale would advantageously sync and enhance service levels while providing local control.

7 The Curious Case of Incorporation

There has been reoccurring interest in the Ramona region to incorporate and transition local governance from the County of San Diego Board of Supervisors to a newly established city council. Most recently, incorporation proponents approached LAFCO with pre-application submittals as required under policy in 1982 and 2005 before choosing not to proceed with official filings. It is nonetheless reasonable to assume future interest in incorporation will reemerge within Ramona given its size and local resources – including a combination of both property and sales taxes. Accordingly, it would be beneficial for LAFCO to prepare an informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – Ramona.

8 The Clearer Case for a Community Services District

Irrespective of the preceding topic on incorporation, the Ramona region has already established itself as an economic and socially distinct community in San Diego County. Ramona MWD has evolved accordingly and expanded its service functions to meet the community’s needs and now operating at the authority limits under the MWD principal act. Reorganization into a community services district (CSD) appears meritorious in providing the region with a local governance model that can provide a complete range of municipal services with LAFCO approval with the lone exception of direct land use control. Reorganizing into CSD – markedly – would also serve as the preferred governance step towards a potential transition into an incorporated community.

The Ramona region is one of the largest unincorporated areas in San Diego County with an estimated resident population of 37,708.



A dirt trail leading up to a hilltop lined with boulders at Ramona Grasslands Preserve in San Diego

Hiker standing on
Potato Chip Rock,
San Diego



Recommendations

The following recommendations call for specific actions either from San Diego LAFCO and/or other local government agencies based on information generated in this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations for Commission action are dependent on a subsequent directive through the adopted work plan.

1. The Commission should coordinate with SANDAG to identify current buildout estimates relative to existing zoning standards by the County of San Diego for the Ramona region and incorporate the information into the next municipal service review.
2. The Commission should perform additional analysis with respect to water, wastewater, and fire protection needs for adjacent lands to the Ramona region that qualify as disadvantaged unincorporated communities and incorporate accordingly into future service reviews.
3. Ramona MWD should address excessive inflow and infiltration issues within its Santa Maria wastewater collection system in order to reduce system peaking factor and the elevated threat of raw sewage spills and/or related impacts to the environment.
4. Ramona MWD should develop a facility improvement plan to guide its parks and recreation function and engage constituents in doing so in setting long-term service goals and amenities.
5. The Commission should defer its statutory task to address service levels and related needs of the lone mutual water company in the Ramona region – Rancho Santa Teresa – to a scheduled information report as part of the 2021–2022 workplan.
6. Ramona MWD should revisit and update its potable water service rates accordingly to remedy a sizeable structural deficit of nearly nine-fold generated during the five-year report period.

Main Street
in Ramona,
California



7. Ramona MWD should expand its existing community outreach efforts by establishing social media uses and live-streaming meetings to affirmatively add to existing efforts in spotlighting its activities and further facilitate opportunities for community input.
8. Ramona MWD should consider the following actions with respect to improving current fire protection and emergency medical services:
 - Ramona MWD should consider adopting response time standards with desired time dependent benchmarks and making these parts of the contract language with CAL FIRE.
 - Ramona MWD should develop a vegetation management plan to mitigate the wildfire risk to the community. Similarly, a comprehensive review of community disaster risk should be completed and submitted to the County Office of Emergency Services for review and inclusion in the County's Multi-Jurisdictional Hazard Mitigation Plan.
9. Ramona MWD and San Diego County FPD should consider a voluntary consolidation under the FPD's greater economies of scale to sync and enhance service levels for the common benefit of the Ramona region and need to vigilantly protect against wildfires.
10. The Commission should address and reconcile Ramona MWD's recycled water service activity as part of a future update to Rule No. 4 with respect to formally identifying the function, class, and authorized location under statute.
11. The Commission should prepare a future informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – the Ramona region as the one of the largest unincorporated communities.
12. Reorganization of Ramona MWD into a community services district merits exploration in providing the Ramona region a local governance model that can continue to evolve with the community needs and – pertinently – serves as the preferred transitional vehicle to a potential future incorporation should circumstances warrant.
13. There appears to be sufficient merit to immediately proceed with a limited update and expansion to Ramona MWD's sphere of influence and add approximately 30 unincorporated acres lying immediately outside the current designation along Dos Picos Park Road.
14. Additional amendments to the Ramona MWD sphere of influence may also be warranted subject to a more comprehensive update as part of the next scheduled study.

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION



RAMONA REGION

Municipal Service Review | Government Code 56430

Affected Agencies

Ramona Municipal Water District

Draft Report | August 2021

Project Managers

Priscilla Allen, Analyst I (lead)

George Williamson, Contract Planner

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ACKNOWLEDGEMENT

San Diego County LAFCO gratefully acknowledges the time and effort of officials in assisting with the preparation of this municipal service review on the Ramona region and includes – but not limited to – the following contributors:

David Barnum, General Manager, Ramona Municipal Water District (retired)
Craig Schmollinger, Chief Financial Officer, Ramona Municipal Water District
Tim Clement, Administrative Services Manager, Ramon Municipal Water District
Larry Converse, Fire Chief, Ramona Municipal Water District (retired)
Jeremy Snyder, Fire Chief, Ramona Municipal Water District
Joe Lomeli, Water Operations Manager, Ramona Municipal Water District
Dawn Perfect, Executive Director, Ramona Parks and Recreation Association

San Diego LAFCO also acknowledges the unique circumstances underlying the preparation of this report and participation therein by the affected agencies and stakeholders given the parallel impact of the COVID-19 pandemic.

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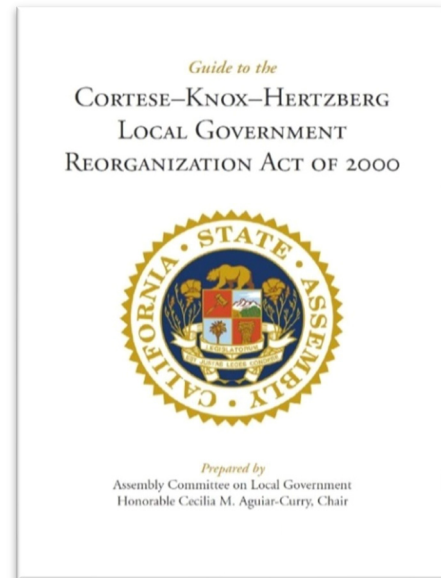
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CHAPTER ONE | INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

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



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

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

¹ Reference California Government Code Section 56000 et. seq.

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

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers in conditioning regulatory and planning approvals so long as not establishing any terms directly effecting land use density or intensity, development, or subdivision requirements.

1.2 Regulatory Responsibilities

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

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

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county.

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

Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs.

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

An expanded summary of the function and role of these two planning responsibilities follows.

Spheres of Influence

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

Starting January 1, 2008, LAFCOs are tasked with reviewing and updating all local agencies' spheres every five years. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities. The five mandated planning factors are summarized in short-form below.

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

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

Municipal Service Reviews

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

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized below in short-form with additional details footnoted.⁴

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

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

⁴ Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of “disadvantaged unincorporated community” is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling \$53,735.

6. Accountability for community service needs.
7. Matters relating to effective or efficient service delivery as required by policy.

1.4 LAFCO Decision-Making

LAFCOs are generally governed by 11-member boards comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members serve four-year terms and are divided between “regulars” and “alternates” and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government or council of government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

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

1.5 Prescriptive Funding

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

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

The majority of San Diego LAFCO’s (“Commission”) existing policies and procedures were initially established in the 1970s and subsequently updated in the 2000s in step with the enactment of CKH. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with sufficient discretion to address local conditions. This includes overarching policies and procedures to align present and planned urban uses with existing cities and special districts. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals (L-109).

2.2 Commission Information

San Diego LAFCO holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California notwithstanding current COVID protocols. Meetings start at 9:00 A.M and live streamed online. The current Commissioner roster follows.

San Diego LAFCO Membership Current as of August 2021		
Commissioner	Appointing Authority	Affiliation
Chair Andy Vanderlaan	Commission	Representative of the Public
Vice Chair Jim Desmond	Board of Supervisors	County of San Diego
Chris Cate	Mayor of the City of San Diego	City of San Diego
Jo MacKenzie	Independent Special Districts	Vista Irrigation District
Paul McNamara	Cities Selection Committee	City of Escondido
Mary Casillas Salas	Cities Selection Committee	City of Chula Vista
Nora Vargas	Board of Supervisors	County of San Diego
Baron “Barry” Willis	Independent Special Districts	Alpine Fire Protection District
Alternate Joel Anderson	Board of Supervisors	County of San Diego
Alternate Kristi Becker	Cities Selection Committee	City of Solana Beach
Alternate David A. Drake	Independent Special Districts	Rincon del Diablo Municipal Water District
Alternate Harry Mathis	Commission	Representative of the Public
Alternate Marni von Wilpert	Mayor of the City of San Diego	City of San Diego

Immediate Past Members in 2020:

Dianne Jacob, Board of Supervisors, County of San Diego
Mark Kersey, Mayor of the City of San Diego, City of San Diego
Bill Wells, Cities Selection Committee, City of El Cajon
Alternate Greg Cox, Board of Supervisors, County of San Diego
Alternate Erin Lump, Independent Special Districts, Rincon Del Diablo Municipal Water District

2.3 Contact Information

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



Thank you.

Keene Simonds
Executive Officer

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CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO’s scheduled municipal service review for the Ramona region in east central San Diego County. The report has been prepared by staff consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of municipal services in the region and specifically the principal service provider – Ramona Municipal Water District (MWD) – over the next five years relative to the Commission’s regional growth management duties and responsibilities. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary and jurisdictional changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The purpose of the report is to produce an independent “snapshot” of municipal service levels provided in the Ramona region with specific focus on the Ramona MWD. The report serves as an update to the last municipal service review prepared by LAFCO covering the Ramona region completed in June 2013.

1.1 Key Premises, Assumptions, and Benchmarks

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

Defining Scope | Affected Agencies Covered

There are multiple local agencies under the Commission’s oversight that provide one or more municipal services in the Ramona region. Ramona MWD is principal among these local agencies and this includes – among others activities – providing water, wastewater, and fire protection in support of current development. Other notable local agencies that provide one or more municipal services in the region include Palomar

As the primary local service provider in the region, this municipal service review focuses on Ramon MWD.

Healthcare District, Ramona Cemetery District, and the San Diego County Fire Protection District (FPD) with the former two expected to be detailed in future service-specific reports.⁵

Defining Scale | Municipal Services Covered

Consistent with the preceding and focus therein on the Ramona MWD, the report is scaled to address all five active District service functions. These core municipal functions are water, wastewater, integrated fire protection and emergency medical, parks and recreation, and recycled water. Other pertinent municipal services within the region – community planning, roads, street lighting, law enforcement, etc. – are provided by the County of San Diego and not covered in this report.

This report focuses only on the five active service functions provided in the region by the Ramona MWD: water; wastewater; fire protection and emergency medical; parks and recreation; and recycled water.

Looking Back – Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission’s analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2015 to 2019 with limited exceptions (i.e. July 1, 2015 through June 30, 2019). This data collection period covers the 60 months immediately preceding the start of work on the document and purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e. data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward – Setting the Report’s Timeframe

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

⁵ The San Diego County FPD covers approximately one-half of the Ramona region as defined. LAFCO recently completed a municipal service review on San Diego County FPD in October 2020. Other special districts in the Ramona region include – but not limited to – the San Diego County Water Authority, Metropolitan Water District of Southern California, and Resource Conservation District of Greater San Diego County.

Calculating Population Estimates and Projections

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

Focusing on Macro-Level Determinations

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of municipal services provided in the region and specifically through Ramona MWD. A prominent example involves focusing on annual system-wide demands generated during the five year report period as opposed to specific subareas or zones. This approach informs macro-level determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis as part of addendums or future municipal service reviews.

Benchmarking Infrastructure Needs and Deficiencies

Similar to the preceding factor, the report and its analysis focuses on average system demands – whether water, wastewater, fire protection, etc. – generated in the region during the 60-month study period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities.

Benchmarking Fiscal Solvency

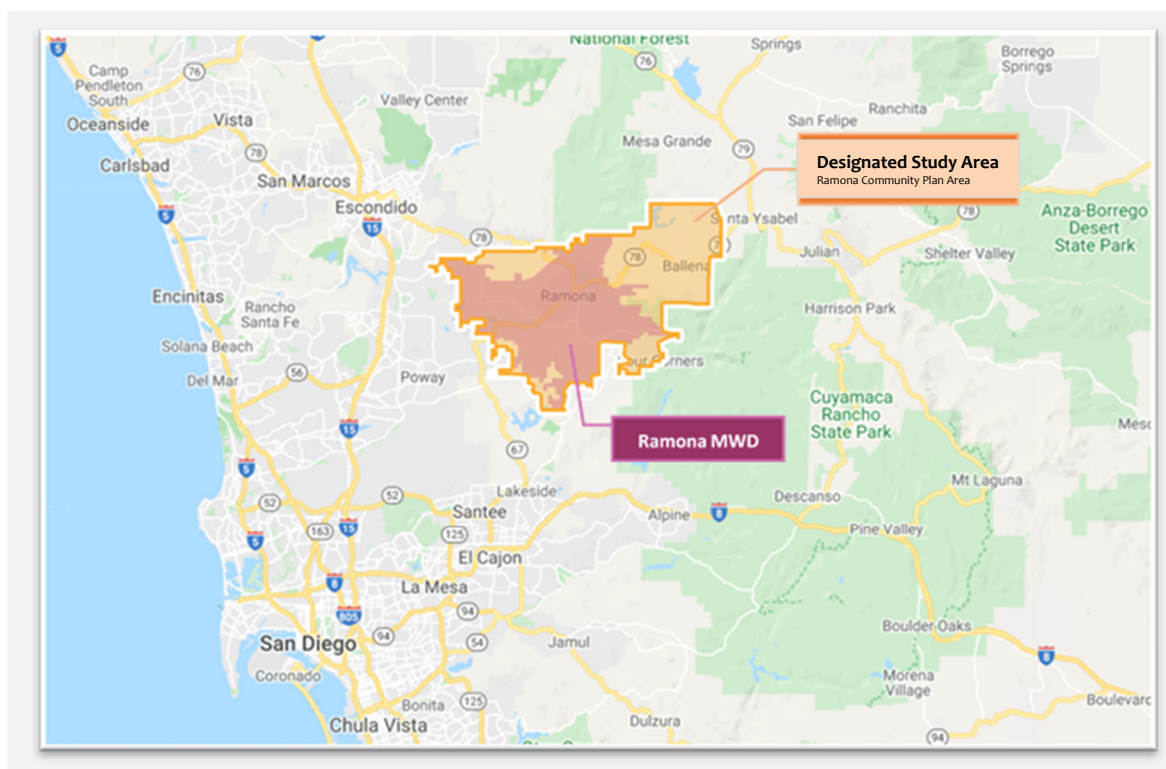
Several diagnostic tools are used to assess and make related determinations regarding financial solvency based on a review of available audited information. This includes an emphasis on analyzing Ramona MWD’s current ratio, debt-to-net assets, and total margin. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin and calculated to track overall trends and final-year standing.

2.0 STUDY ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.⁶ This includes addressing the mandatory service and governance factors required by the Legislature anytime San Diego LAFCO performs a municipal service review. The Executive Summary is followed by an in-depth agency profile (Chapter Three) for Ramona MWD as the principal municipal service provider in the region. The profile transitions between qualitative descriptions of the background and development of Ramona MWD to quantifying specific categories. This includes measuring demographic trends, service levels, and financial standing consistent with the premises outlined in the preceding section.

3.0 GEOGRAPHIC AREA

The geographic area or study area designated for this municipal service review by the Executive Officer is approximately 131 square miles or 84,000 acres. This study area purposefully matches the current Ramona Community Plan Area as established by the County of San Diego and captures the entirety of Ramona MWD jurisdictional boundary and sphere of influence.



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

4.0 REPORT SUMMARY

4.1 Central Themes and Conclusions

The Ramona region represents one of the largest and growing unincorporated communities in San Diego County with a current estimated population of 37,708 – an amount that exceeds 5 of the 18 cities. The region’s status as a prominent unincorporated area dates to the 1840s and the arrival of community patriarchs Joaquin Ortega and Adolpho Stokes and the subsequent establishment of a stagecoach stop and adjoining general store to accommodate travelers going to and from the goldmines to the east in Julian. The region began transitioning to a stand-alone destination at the turn of the century and marked by outside investments and ensuing subdivisions recorded by the Santa Maria Land and Water Company. This transition was headlined by the official naming of the community as “Ramona” with the permanent population reaching approximately 1,000 by 1900 – which at the time made Ramona the largest unincorporated area in all of San Diego County.

The Ramona region is one of the largest unincorporated areas in San Diego County with an estimated resident population of 37,708.

The County of San Diego remained the lone source of local government for the Ramona region through the start of the new century until the formation of the Ramona Irrigation District (1925) and its construction of the first community water system. Markedly, the formation of the Ramona Irrigation District paralleled initial community discussions on incorporation and subsequently supplemented by additional special district formations to expand the scope of local government in the region to include the Ramona Fire Protection District (1946), Ramona Sanitation District (1946), Ramona MWD (1958), and Mt. Woodson Ranch Sanitation District (1988). Ramona MWD’s proved most consequential, and through a combination of latent power activations and consolidations it has emerged as the singular provider of potable water, wastewater, fire protection and emergency medical, parks and recreation, and recycled water in the region.

Ramona MWD has emerged as the central municipal service provider in the region and its core activities – specifically water, wastewater, fire protection – and adequacies therein are essential in supporting current and future growth.

Today the Ramona region serves as a unique community separator in San Diego County with urban uses to the west and non-urban uses to the east. Ramona itself remains largely rural with the notable exception of the central “village” area located along Main Street, which increasingly includes several financial, retail, and restaurant franchises and serves as the region’s social and economic hub.

A review of the Ramona region relative to San Diego LAFCO’s growth management tasks and interests as prescribed under statute produces eight central themes or conclusions. These conclusions focus – albeit not exclusively – on the availability, need, and adequacy of municipal

services by Ramona MWD as the central service provider in the region. The conclusions are independently drawn and largely sourced to information collected and analyzed by the Commission between 2015 and 2019 and further detailed in the agency profile (Chapter Three).

- **No. 1 | Evolving Community Character**

Ramona's community character continues to evolve and most notably towards a more traditional suburb setting with urban-type landscapes. This transition is reflected in the relatively high population growth rate in the region over the report period at 1.1% annually, which is more than one-fifth above the countywide average. The population is also increasingly more affluent than past generations with the average median household income equaling \$92,543 at the end of the five-year report. This median income is more than two-fifths above the corresponding rate for all of San Diego County and – and among other factors – aided by the 17% increase in four-year college graduates over the 60-month period.

- **No. 2 | Expanded and Centralized Role of Ramona MWD**

Ramona's evolving community character towards more traditional suburban uses has relatedly generated additional demands and expectations on local government in the region. Ramona MWD has affirmatively responded to these changes over its 60-year plus history and through a combination of consolidations and latent power expansions evolved into a multi-purpose agency and now the centralized provider of water, wastewater, fire protection and emergency medical, parks and recreation, and recycled water in the region. Further expansions – however and irrespective of any merit – is limited under the principal act.

- **No. 3 | Adequate Service Capacities at MWD with One Notable Exception**

As the principal municipal service provider in the region, Ramona MWD has developed adequate infrastructure capacities and related administrative controls to meet current and projected demands in the timeframe of this report with one exception. This exception involves meeting wastewater demands within the Santa Maria service area, which covers central Ramona and now regularly exceeds capacities during high-rain periods due to excessive inflow (surface) and/or infiltration (groundwater) intrusion.

- **No. 4 | Need for Capital Improvement Investments within MWD**

Notwithstanding the overall adequacy of current municipal service capacities, Ramona MWD would benefit from additional investment into its capital assets with specific focus on remedying the increasing and varying pipeline ages involving both its water and wastewater systems. Capital planning and investment in parks and recreation is also merited and includes addressing improvements to the Wellfield Park and its Community Center and Rodeo Arena.

- **No. 5 | MWD's Positive Financial Standing**

Ramona MWD improved its financial standing during the report period as measured by its audited net position with an overall 12% increase from \$86 to \$105 million. This improvement largely ties to Ramona MWD achieving an average annual bottom line – or total margin – and contributes to an ending unrestricted fund balance sufficient to meet 18 months of operating expenses. Ramona MWD also finished the period with a relatively well-funded employee pension program with a composite funded ratio of 80 percent.

- **No. 6 | Advancing Regional Fire Protection Services**

Existing fire protection and emergency medical service in the Ramona region are equally divided between two special districts: Ramona MWD and San Diego County FPD. Both special districts choose to contract with CALFIRE for day-to-day field operations. This common arrangement – notably – suggest consolidating fire protection responsibilities under the San Diego County FPD's economies of scale would advantageously sync and enhance service levels while providing local control.

- **No. 7 | The Curious Case of Incorporation**

There has been reoccurring interest in the Ramona region to incorporate and transition local governance from the County of San Diego Board of Supervisors to a newly established city council. Most recently, incorporation proponents approached LAFCO with pre-application submittals as required under policy in 1982 and 2005 before choosing not to proceed with official filings. It is nonetheless reasonable to assume future interest in incorporation will reemerge within Ramona given its size and local resources – including a combination of both property and sales taxes. Accordingly, it would be beneficial for LAFCO to prepare an informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – Ramona.

- **No. 8 | The Clearer Case for a Community Services District**

Irrespective of the preceding topic on incorporation, the Ramona region has already established itself as an economic and socially distinct community in San Diego County. Ramona MWD has evolved accordingly and expanded its service functions to meet the community's needs and now operating at the authority limits under the MWD principal act. Reorganization into a community services district (CSD) appears meritorious in providing the region with a local governance model that can provide a complete range of municipal services with LAFCO approval with the lone exception of direct land use control. Reorganizing into CSD – markedly – would also serve as the preferred governance step towards a potential transition into an incorporated community.

4.2 Recommendations

The following recommendations call for specific actions either from San Diego LAFCO and/or other local government agencies based on information generated in this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations for Commission action are dependent on a subsequent directive through the adopted work plan.

1. The Commission should coordinate with SANDAG to identify current buildout estimates relative to existing zoning standards by the County of San Diego for the Ramona region and incorporate the information into the next municipal service review.
2. The Commission should perform additional analysis with respect to water, wastewater, and fire protection needs for adjacent lands to the Ramona region that qualify as disadvantaged unincorporated communities and incorporate accordingly into future service reviews.
3. Ramona MWD should address excessive inflow and infiltration issues within its Santa Maria wastewater collection system in order to reduce system peaking factor and the elevated threat of raw sewage spills and/or related impacts to the environment.
4. Ramona MWD should develop a facility improvement plan to guide its parks and recreation function and engage constituents in doing so in setting long-term service goals and amenities.
5. The Commission should defer its statutory task to address service levels and related needs of the lone mutual water company in the Ramona region – Rancho Santa Teresa – to a scheduled information report as part of the 2021-2022 workplan.
6. Ramona MWD should revisit and update its potable water service rates accordingly to remedy a sizeable structural deficit of nearly nine-fold generated during the five-year report period.
7. Ramona MWD should expand its existing community outreach efforts by establishing social media uses and live-streaming meetings to affirmatively add to existing efforts in sunlighting its activities and further facilitate opportunities for community input.
8. Ramona MWD should consider the following actions with respect to improving current fire protection and emergency medical services:
 - a) Ramona MWD should consider adopting response time standards with desired time dependent benchmarks and making these parts of the contract language with CAL FIRE.

- b) Ramona MWD should develop a vegetation management plan to mitigate the wildfire risk to the community. Similarly, a comprehensive review of community disaster risk should be completed and submitted to the County Office of Emergency Services for review and inclusion in the County's Multi-Jurisdictional Hazard Mitigation Plan.
9. Irrespective of the preceding recommendations, Ramona MWD and San Diego County FPD should consider a voluntary consolidation under the FPD's greater economies of scale to sync and enhance service levels for the common benefit of the Ramona region and need to vigilantly protect against wildfires.
 10. The Commission should address and reconcile Ramona MWD's recycled water service activity as part of a future update to Rule No. 4 with respect to formally identifying the function, class, and authorized location under statute.
 11. The Commission should prepare a future informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – the Ramona region as the one of the largest unincorporated communities.
 12. Reorganization of Ramona MWD into a community services district merits exploration in providing the Ramona region a local governance model that can continue to evolve with the community needs and – pertinently – serves as the preferred transitional vehicle to a potential future incorporation should circumstances warrant.
 13. There appears to be sufficient merit to immediately proceed with a limited update and expansion to Ramona MWD's sphere of influence and add approximately 30 unincorporated acres lying immediately outside the current designation along Dos Picos Park Road.
 14. Additional amendments to the Ramona MWD sphere of influence may also be warranted subject to a more comprehensive update as part of the next scheduled study.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this report's subsequent sections. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of municipal services in the Ramona region specific to the Commission's growth management role and responsibilities with focus on Ramona MWD. An abbreviated version of these determinations will be separately prepared for Commission consideration in conjunction with accepting the final report.

These determinations address the specific factors required in statute as part of the municipal service review process and represent statements of reasonable facts or deductions as legislatively determined by San Diego LAFCO and based on information analyzed between 2015 and 2019.

5.1 Growth Projections & Related Demographics

1. San Diego LAFCO estimates there are 37,708 total residents within the Ramona region at the end of the five-year report period. It is also estimated the average annual population growth rate in the region during the period has been 0.63%.
2. San Diego LAFCO estimates 94% – or 35,369 – of the total residents in the Ramona region are in the Ramona MWD jurisdictional boundary at the end of the five-year report period. The average annual population growth rate in MWD during the period is estimated at 1.1%.
3. The estimated population growth rate in Ramona MWD is more than one-fourth higher than the corresponding rate for all of San Diego County during the five-year report period and substantiates the growth orientation of the region's urban core.
4. A notable paradox underlying the overall population growth in the Ramona region involves student enrollment in the Ramona Unified School District and its own decline of (4%) within its 12 schools during the five-year report period.
5. Accommodating the estimated population growth within the Ramon region during the five-year report period is largely sourced to the construction of 289 of new housing units. Of this amount, 270 new housing units – or 93% – lie in the Ramona MWD jurisdictional boundary and reflects the integral connection of MWD in accommodating new development.

6. Growth will continue in the Ramona region. Most of the growth will lie in the Ramona MWD and the 1,723 parcels spanning 11,100 acres – which equals one-third of the current boundary – that are privately owned and undeveloped at the end of the five-year report period.
7. San Diego LAFCO projects the recent growth rates within the Ramona region will generally hold during the report timeframe. Assuming these projections hold, the Ramona region will reach 38,906 by 2024 with 36,488 in the Ramona MWD jurisdictional boundary. This latter amount equates to the addition of 224 residents each year to MWD.
8. San Diego LAFCO should coordinate with SANDAG to develop current buildout estimates relative to existing zoning specific to the Ramona MWD jurisdictional boundary and incorporate the information into the next municipal service review.
9. With respect to notable demographics within Ramona MWD:
 - a) Residents within Ramona MWD tend to be measurably older with a medium age of 46 at the end of the five-year report period. This amount increased by 2.6% during the period and finished one-third above the corresponding medium age for all of San Diego County.
 - b) Ramona MWD residents tend to be financially secure with an average median household income of \$92,543 at the end of the five-year report period. This amount decreased by (5.5%) during the period but still finished two-fifths above the corresponding median household income for all of San Diego County.
 - c) Monthly housing costs (mortgages and rents) within Ramona MWD's jurisdictional boundary averaged \$2,107 at the end of the five-year report period. This amount decreased by (2.7%) during the period but still finished one-third above the corresponding average housing cost for all of San Diego County.
 - d) The percentage of residents' income dedicated to monthly housing costs in Ramona MWD increased during the five-year report period from 26.5% to 27.3%. This latter amount – nonetheless – remains under the corresponding average for all of San Diego County, which changed from 28.9% to 28.5% and reflect MWD residents' relative affluency.
 - e) Residents within Ramona MWD finished the five-year report period with relatively low levels of unemployment with an ending average of 3.4%, which is nearly one-half below the corresponding amount for all of San Diego County.

- f) Residents within Ramona MWD tend to be comparatively more homogenous with non-English speaking residents at the end of the five-year report period totaling 6.0% and nearly three times lower than the corresponding rate for all of San Diego County.

5.2 Location and Characteristics of Disadvantaged Unincorporated Communities & Relevant Information on Water, Wastewater, and Fire Protection Services

1. Approximately one-tenth of the Ramona region qualifies as a disadvantaged unincorporated community under San Diego LAFCO policy. One-quarter of the qualifying lands concurrently lie within the Ramona MWD and accordingly receive – or at least eligible to receive – public water, wastewater, and fire protection services.
2. Land immediately to the north of the Ramona region qualifies as a disadvantaged unincorporated community under San Diego LAFCO policy. Additional analysis is needed to determine the percentage of these qualifying lands that concurrently lie within public water, wastewater, and fire protection service providers.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The County of San Diego and Ramona MWD serve as the principal municipal service providers within the Ramona region. This municipal service review appropriately focuses on Ramona MWD and its five active municipal service functions: potable water; wastewater; fire protection and emergency medical; parks and recreation; and recycled water.
2. San Diego LAFCO determines the five active service functions provided by Ramona MWD and identified in the preceding statement have adequate infrastructure capacities in meeting current and near-term demands with limited exceptions as detailed.
3. With respect to potable water services provided by Ramona MWD:
 - a) Ramona MWD's potable water function commenced in 1956 in conjunction with its formation and classified as retail under LAFCO statute and Commission Rule No. 4. This activated function applies to the entire District jurisdictional boundary.
 - b) Ramona MWD's potable water service area presently covers approximately 60% of its jurisdictional boundary. San Diego LAFCO estimates the population in the water service area at the end of the five-year report period at 25,120 and equals 71% of the entire District population. The unserved portion of the jurisdictional boundary is largely undeveloped.

- c) Ramona MWD is entirely dependent on potable water supplies imported from the San Diego County Water Authority. The estimated maximum available daily supply based on MWD's existing infrastructure and related connectivity to the County Water Authority is 63.5 acre-feet and translates to an annual capacity of 23,178 acre-feet.
 - d) Average day demands within Ramona MWD's potable water service area have equaled 10.5 acre-feet during the five-year report period with an overall change of (6%). This average demand equals 17% of MWD's accessible daily supplies and sufficient to meet current and anticipated demands through the report timeframe under normal conditions.
 - e) Peak-day demands within Ramona MWD's potable water service area have averaged 15.6 acre-feet during the five-year report period with an overall change of 1%. This average demand equals 25% of MWD's accessible daily supplies and sufficient to meet current and anticipated demands through the report timeframe under normal conditions.
 - f) Estimated per capita daily uses within Ramona MWD's potable water service area has decreased by (10%) over the five-year report period from 142 gallons to 127 gallons. This overall decrease in per capita day demands coupled with the corresponding increase in population growth substantiates improved conservation among end-users.
 - g) Additional analysis would be needed to assess whether the portion of daily uses within Ramona MWD is dedicated to indoor use and the relationship therein in meeting the State of California's advisory target to limit per capita usage to 55 gallons under new legislation (Assembly Bill 1668 and Senate Bill 606).
 - h) Total storage within Ramona MWD's potable water service area is 78 acre-feet and can accommodate up to seven consecutive days of average day demands generated during the five-year report period without recharge. The number of storage days decreases to five relative to accommodating average peak day demands.
4. With respect to wastewater services provided by Ramona MWD:
- a) Ramona MWD's wastewater function commenced in 1981 as successor agency to the Ramona Sanitation District. This active service function is classified as collection, treatment, and disposal under LAFCO statute and Commission Rule No. 4.

- b) Ramona MWD's wastewater function is geographically limited by the Commission to two distinct service areas – Santa Maria and San Vicente – and they collectively equal 24% of the jurisdictional boundary.
 - c) Additional analysis would be needed in coordination with the County of San Diego Environmental Health Department to identify active septic systems in Ramona MWD.
 - d) The total wastewater service population for Ramona MWD at the end of the five-year report period is estimated by San Diego LAFCO at 25,108. This estimate represents 71% of the total estimated MWD population and divided between the Santa Maria and San Vicente service areas at 15,644 and 9,464, respectively.
 - e) Specific to the Santa Maria system, it is presently operating at 60% capacity under normal conditions based on average day demands during the five-year report period. Capacity usage increases to 155% during peak wet periods and shows excessive inflow and infiltration is entering the collection system.
 - f) Specific to the San Vicente system, it is presently operating at 61% capacity under normal conditions based on average day demands during the five-year report period. Capacity usage increases to 95% during peak wet periods and suggest excessive inflow and infiltration is entering the collection system.
 - g) Capital improvements are needed to both Ramona MWD's wastewater systems to expand the daily treatment capacities to avoid untreated sewage overflows and/or spills during peak wet periods given current capacity deficiencies.
5. With respect to fire protection and emergency medical services provided by Ramona MWD:
- a) Ramona MWD's integrated fire protection and emergency medical service function commenced in 1981 as successor agency to Ramona FPD and classified as structural and basic life support under LAFCO statute and Commission Rule No. 4. This activated function applies to the entire District jurisdictional boundary.
 - b) Ramona MWD's fire protection and emergency medical services are provided through a cooperative contract with CALFIRE and delivered out of three MWD fire stations with total public safety staffing at 33 at the end of the five-year report period. This latter amount represents 0.9 public safety personnel for every 1,000 residents in MWD.

- c) Average annual demands for fire protection and emergency medical services by Ramona MWD – both inside and outside the jurisdictional boundary – have increased in four of the five years in the report period with an overall change of 10% and attributed to an increase in population.
 - d) The average demand for onsite fire protection and emergency medical service within Ramona FPD during the five-year period has been 2,570 annually or 7 per day.
 - e) Ramona MWD responded on average – exclusively or in combination with outside agencies – to 95% of all onsite incidents involving fire protection and emergency medical in its jurisdictional boundary over the five-year report period.
 - f) Ramona MWD has a low dependency on outside agencies to cover fire protection and emergency medical needs with an average of only 10 out of 100 onsite incidents in the jurisdictional boundary necessitating outside aid during the five-year report period.
 - g) Approximately 70% of all onsite incidents responded to by CalFire in the Ramona MWD during the five-year report period resulted in ambulance transport to an area hospital. The number of ambulance transports increased by approximately 10% over the 60-month period and tied to an increase in population within the region.
6. With respect to parks and recreation services provided by Ramona MWD:
- a) Ramona MWD's parks and recreation function commenced in 1975 as part of a latent power approval and classified as community parks and rental facilities under LAFCO statute and Commission Rule No. 4. This activated function applies to the entire District jurisdictional boundary.
 - b) Ramona MWD's parks and recreation function has been outsourced since 1994 to the Ramona Parks and Recreation Association (501(c)(3)). Ramona MWD – nonetheless – retains legal responsibility for all related public parks and recreation services.
 - c) Ramona MWD's current community park resources comprise Wellfield Park and Lake Ramona and collectively generate a ratio of 4.7 park acres for every 1,000 residents. This amount exceeds by more than one-half the baseline ratio of 3.0 park acres for every 1,000 residents established by the State under the Quimby Act.

- d) Infrastructure and facility improvements are budgeted as needed; Ramona MWD has not established a formal capital improvement program. The absence of this type of document hinders the District's ability to strategically plan and allocate resources accordingly while diminishing the opportunity to engage constituents on long-term service goals.
- 7. With respect to recycled water services provided by Ramona MWD, additional analysis is pending in terms of quantifying demand and performance and is incomplete at this time.
- 8. The Commission has identified one mutual water company – Rancho Santa Teresa – operating within the Ramona region. Consistent with LAFCO statute, the Commission defers evaluation of this mutual water company to a future informational report.
- 9. An evaluation of fire protection and emergency medical services within the Ramona region provided by the San Diego County FPD is appropriately addressed in the Commission's recent municipal service review on County Service Area No. 135 (June 2020) and incorporated herein.

5.4 Agencies' Financial Ability to Provide Municipal Services

- 1. Ramona MWD improved its financial standing during the five-year report period as measured by its audited net position (i.e. agency value) increasing by 12% from \$86.9 to \$105.1 million.
- 2. The unrestricted and spendable portion of Ramona MWD's fund balance at the end of the five-year report period is sufficient to cover 18 months of typical operating expenses. This amount is three times more than the District's target of having six months in reserves.
- 3. Ramona MWD's operating budget is divided into four funds – Water, Fire & Emergency Medical Service, Wastewater, and Parks – and collectively increased by 12.8% in budgeted expenses during the five-year report period. This amount is more than double the corresponding 6.5% increase in budgeted revenues and merits revisiting in the next scheduled municipal service review to assess whether the imbalance is structural or temporary.
- 4. Standard measurements to assess liquidity, capital, margin, and equipment replacement levels shows Ramona MWD experienced mix trends during the five-year report period but nonetheless finished at or above industry standards. With this context in mind, the following statements apply.

- a) Liquidity levels as measured by days' cash available to Ramona MWD improved during the five-year report period by one-fifth from 522 to 609 days with the latter amount providing 87 weeks of accessible cash to cover normal operating costs.
 - b) Capital levels as measured by Ramona MWD's debt-to-net position modestly improved during the five-year report period from 19% to 16% with the latter amount reflecting less than one-fifth of the District's overall value (net position) is tied to outside borrowing.
 - c) The total margin for Ramona MWD decreased overall during the five-year report period but remained positive each year with an overall average 11%. This latter amount contrasts with the District's average operating margin of (10%) and denotes a substantive reliance on property taxes to subsidize District activities during the report period.
 - d) The replacement rate of capital infrastructure (i.e. buildings, land, pipes, etc.) moderately decreased by one-tenth during the five-year report period from 23 to 25 years.
5. Ramona MWD's employee pension program at the end of the five-year report period finished with a composite funded ratio of 81% and considered good relative to industry standards.
 6. With respect to financial standing for specific service functions:
 - a) Ramona MWD's potable water services operate as an enterprise and intended to be self-supporting through user fees and related charges. Actual expenses during the five-year report period have increased by 17% while actual revenues have increased by 2% and produces nearly a nine-fold structural deficit. Rate increases appear appropriate to ensure an appropriate level of cost-recovery.
 - b) Ramona MWD's wastewater services operate as an enterprise and intended to be self-supporting through user fees and related charges. Actual expenses during the five-year report period for the Santa Maria and San Vicente systems increased by 9% and 7% while revenues increased by 76% and 29%, respectively.
 - c) The three other service functions provided by Ramona MWD – fire protection and emergency medical, parks and recreation, and recycled water – operate as hybrids and dependent on both general property tax revenues and user fees/assessments. With respect to notable trends therein, the District has become increasingly reliant on property taxes and most notably saw an increase of 19.7% allocated to fire protection and EMS and has averaged 32.2% during the reporting period.

5.5 Status and Opportunities for Shared Facilities and Resources

1. Ramona MWD has been proactive in establishing responsive shared resources with other local governmental, non-profits, and tribes involving its active service functions for the collective benefits of MWD constituents. Examples follow.
 - a) Ramona MWD has established infrastructure interties with the City of Poway to receive and provide treated potable water supplies to one another in the event of emergencies and/or other interruptions in normal operations.
 - b) Ramona MWD has two surface storage reservoirs available for use, Lake Ramona and Lake Sutherland with the latter owned by the City of San Diego.
 - c) Ramona MWD maintains automatic aid agreements with several adjacent providers – including City of Poway and Barona Fire Department – to receive and provide fire protection/rescue and emergency medical services within their respective boundaries based on dispatch proximity.
 - d) Ramona MWD coordinates closely with the Ramona Unified School District to provide parks and recreational activities ranging from after school programs to sporting events.

5.6 Local Accountability and Government Restructure Options

1. Ramona MWD has been responsive to community needs since formation and through a combination of consolidations and latent power expansions is now the centralized provider of water, wastewater, fire protection and emergency medical, parks and recreation, and recycled water in the Ramona region.
2. Additional service function expansions by Ramona MWD is limited under the current principal act to storm drainage, solid waste collection, and electricity and subject to formal review and approval by the Commission.
3. Ramona MWD's position as the only public agency entirely governed by elected residents uniquely positions MWD to legitimately address and/or represent community interests with other local, regional, and State agencies on a range of municipal-themed topics underlying growth and development in the Ramona region.

4. Ramona MWD has been governed by responsive officials during the five-year report period and illustrated by holding regular monthly meetings, timely posting agendas and minutes online, and employing and/or otherwise contracting professional staff. These measurable actions create trust with constituents and help ensure their ongoing financial investment via property taxes, special assessments, and user charges are warranted.
5. Ramona MWD maintains a user-friendly website that meets all requirements recently established for local government agencies (Assembly Bill 2257 and Senate Bill 939).
6. Ramona MWD should expand its existing community outreach efforts by utilizing social media and providing live streaming of meetings. These efforts would affirmatively add to existing efforts by MWD in sunlighting its activities and further facilitate opportunities for community input into the Board decision-making.
7. Existing fire protection and emergency medical service in the Ramona region are closely divided between Ramona MWD and San Diego County FPD with both agencies contracting with CALFIRE for day-to-day field operations. These dynamics suggest consolidating fire protection responsibilities under the San Diego County FPD's greater economies of scale would advantageously sync and enhance service levels and should be fully explored.
8. It is reasonable to assume interest in incorporation will resurface in the Ramona region given past inquiries coupled with its standing as one of the largest unincorporated communities with increasing property and sale tax bases. Accordingly, and to help apprise future decision-making, it would be beneficial for the Commission to prepare an informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – Ramona.
9. Ramona MWD has evolved and expanded its service functions to meet the community's needs and as detailed now substantively operating at the authority limits under the MWD principal act. Reorganization into a community services district merits exploration in providing the region with a local governance model that can continue to evolve with the community needs and – pertinently – serves as the preferred transitional vehicle to a potential future incorporation.
10. There appears to be sufficient merit to immediately proceed with a limited update and expansion to Ramona MWD's sphere of influence. This includes adding approximately 30 unincorporated acres lying immediately outside and in between Ramona MWD and City of Poway's spheres but accessible only through MWD along Dos Picos Park Road.

11. Additional amendments to the Ramona MWD sphere of influence may also be warranted subject to a more comprehensive update as part of the next scheduled study.
12. Other local agencies providing one or more municipal services directly in the Ramona region include Palomar Healthcare District and Ramona Cemetery District and will be addressed by San Diego LAFCO as part of future municipal service reviews.

CHAPTER THREE | AGENCY PROFILE

1.0 OVERVIEW

Ramona Municipal Water District (MWD) is an independent special district formed in August 1956. Formation proceedings were initiated by landowner petition for the initial purpose of providing reliable water service in the unincorporated community of Ramona to support a developing commercial district along Main Street as well as surrounding agricultural activities. Ramona MWD encompasses a 75-square mile jurisdictional boundary covering most of the Santa Maria Valley and anchored by the intersection of State Routes 67 and 78 in east-central San Diego County. The jurisdictional boundary includes the unincorporated “village” community of Ramona and the adjacent planned residential development of San Diego County Estates and represents 1.7% of all lands in San Diego County. Governance is provided by a five-person board with members elected by divisions and serve staggered four-year terms. Board appointments are also allowed in lieu of candidate filings. The average Board tenure among current members is 6 years.

Unincorporated Ramona Village (2020)
Eastbound Main Street at Seventh Street



Photo Credit: Priscilla Allen

Ramona MWD has evolved from the time of its formation in 1956 through subsequent reorganizations – including three consolidations with other special districts – and currently organized as a multi-purpose agency and authorized to provide five distinct service functions and ordered in terms of magnitude of District resources: (a) potable water; (b) wastewater; (c) fire and emergency medical; (d) park and recreation; and (e) non-potable water.⁷ Ramona MWD is also empowered – subject to LAFCO latent power activations – to provide solid waste and garbage removal as well as electric services. The operating budget at the term of the report period (2018-2019) was \$36 million with 48 fulltime equivalent employees. The last audited financial statements cover 2018-2019 and show the net position totaling \$105 million with the unrestricted portion tallying \$49 million. This latter amount represents the equivalent of 17.5 months of operating expenses.

Ramona MWD is presently authorized by LAFCO to provide five distinct service functions: potable (domestic) water; wastewater; fire and emergency medical; park and recreation; and non-potable (recycled) water.

LAFCO independently estimates the fulltime resident population within Ramona MWD is 35,369 as of the term of this report period. It is also projected the estimate of fulltime residents represents an

⁷ Ramona MWD was authorized to provide park and recreation services as a latent power in 1975 and operates a 166-acre community park and Lake Ramona.

overall increase of 3,213 since 2010 – or 357 annually – with a resulting annual growth rate of 1.1% and well above the countywide rate of 0.86%. The estimated population is directly supported by 12,410 housing units in the jurisdictional boundary; an amount that increased by 487 – or 0.45% annually – since 2010. The Ramona MWD median household income is \$92,543 based on the current five-year period average, nearly two-fifths higher than corresponding \$66,529 countywide average.

2.0 BACKGROUND

2.1 Community Development

Ramona MWD’s service area began its present-day development with a Mexican land grant – “Rancho Santa Maria” – made to family members Joaquin Ortega and Adolpho Stokes in 1843. The Ortega-Stokes family settled on the eastern edge of the Santa Maria Valley and began to raise sheep and cattle before eventually having to divide and sell portions of the rancho to cover personal debts. In 1884, Amos Verlaque purchased one of these lots located along a horse trail heading northeast and later becoming the “Julian” road. Verlaque opened a general store on the 2.5-acre lot in the otherwise sparsely populated area to serve miners heading to the goldmines in Julian and in doing so generating the name “Nuevo” for the area and the stagecoach stop built nearby. Milton Santee with the Santa Maria Land and Water Company followed in 1886 and purchased almost 4,000 acres in Nuevo and proceeded to record a new subdivision with the County of San Diego formally dividing the area into multiple lots along Main Street (and later State Route 67) in 1895. Nuevo was also renamed to “Ramona” and done so after a popular fictional novel written by Helen Hunt Jackson involving a female protagonist in rural southern California and her relationship with a Native American.

The first official census performed for Ramona estimated its resident population at 394 in 1890 and largely engaged in cattle, sheep, and goat farming. The subsequent subdivision recorded by the Santa Maria Land and Water Company and related development increased the estimated population in Ramona to 849 in 1910 and in doing so becoming one of the largest unincorporated settlements in San Diego County with its own town hall, bank, school, blacksmith, and hotel. It was also at this time civic leaders planted hundreds of eucalyptus trees along Main Street that remain today.

Ramona Subdivision Map (1890)
Recorded with the County of San Diego

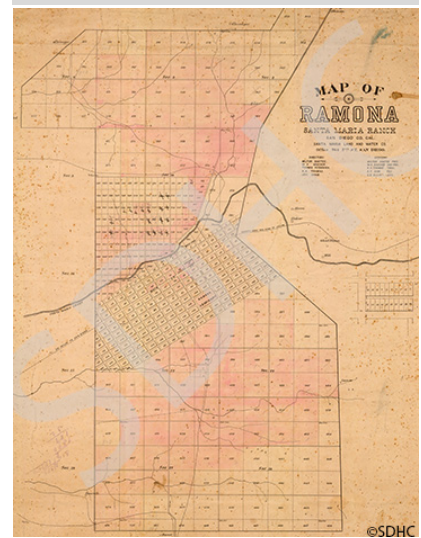


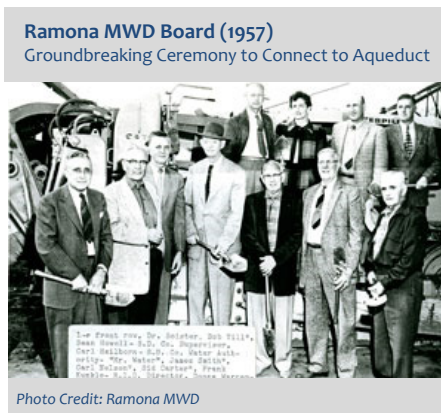
Photo Credit: San Diego History Center

Ramona Main Street Parade (1937)
Eastbound Main Street at Seventh Street



Photo Credit: San Diego History Center

Ramona MWD's formation was petitioned by landowners in November 1955 to provide a more reliable source of potable water to the community given ongoing concerns with the local wellfield sources operated by the Ramona Irrigation District. The proposal filing was done in coordination with the San Diego County Water Authority and its wholesale delivery of water imports from the Colorado River via the San Diego Aqueduct and through its membership agreement with the Metropolitan Water District of Southern California. The San Diego County Boundary Change Commission approved formation and the original 22 square mile jurisdictional boundary subject to voter confirmation. A special election was subsequently held in July 1956 and voter confirmed the formation with 66% – or 837 to 433 – voting in favor. A director was also elected to each of Ramona MWD's five divisions.⁹ The formation was certified by the Board of Supervisors and became effective in August 1956.



A summary of notable activities undertaken by Ramona MWD and/or affecting the District's service area following formation in 1956 is provided below.

8 The vote to approve the formation of the Ramona Irrigation District was 96-2 and included the election of a five-member board along with authorizing \$90,000 in bonded debt to construct a well-field system.

9 The five elected directors of the Ramona MWD at the time of formation were Carl Gustaf Nelson (1st Division), Neil W. Stonehouse (2nd Division), Herbert H. Carter (3rd Division), Everett D. Ronnie (4th District), and James W. Smith (5th District).

- Ramona MWD concurrently annexes into the San Diego County Water Authority and Metropolitan Water District of Southern California in 1957. This reorganization provides Ramona MWD membership to the County Water Authority and access to its wholesale supplies drawn from the Colorado River and Sacramento Bay-Delta.
- LAFCO approves the dissolution of the Ramona Irrigation District and designates Ramona MWD as successor agency in 1966.
- LAFCO approves annexation of the planned residential community of San Diego Country Estates to Ramona MWD in 1970.
- LAFCO approves Ramona MWD's park and recreation powers activation in 1975. The activation covers the entire jurisdictional boundary.
- Ramona MWD's files a reorganization proposal with LAFCO to incorporate the community of Ramona in 1982. The proposal is filed on behalf of the Ramona Incorporation Committee and – among other items – seeks concurrent merger with Ramona MWD. The proposal is subsequently withdrawn later in the year due to concerns regarding fiscal feasibility.
- LAFCO approves a multi-agency reorganization involving the dissolutions of the Ramona Sanitation District and the Ramona Fire Protection District and annexation of the affected territory therein to the Ramona MWD as successor agency in 1981. The reorganization expands Ramona MWD's active service functions to include wastewater (specified areas) and fire protection and emergency medical. LAFCO also approves activation of Ramona MWD's sanitation power within specified areas.
- LAFCO approves an expansion of Ramona MWD's authorized wastewater power to correspond with the urban limit line established in the Ramona Community Plan in 1982.
- LAFCO establishes a coterminous sphere of influence for Ramona MWD in December 1983.
- Ramona MWD enters into a service agreement with CAL FIRE in 1992 to assume fire protection and emergency medical service responsibilities for the District jurisdictional boundary.
- LAFCO approves the concurrent dissolution of the Mt. Woodson Ranch Sanitation District and annexation of the affected territory to Ramona MWD as successor agency in 1993. The reorganization enlarges the District sewer service boundary by 400 acres.
- LAFCO affirms Ramona MWD's sphere of influence with no changes in 2005 and again in 2014.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

Ramona MWD encompasses approximately 75 square miles and covers 46,005 acres (parcels, waterways, and public rights-of-ways). The jurisdictional boundary is unincorporated with exception of a 3.0-acre MWD parcel and spans the width of the Santa Maria Valley and includes two distinct local communities: Ramona Village and San Diego Country Estates. State Route 78 connects the jurisdictional boundary to the City of Escondido to the west while State Route 67 connects the jurisdictional boundary to the City of Poway to the southwest and further along to the Cities of Santee and El Cajon. The elevation within the jurisdictional boundary ranges from 1,380 feet to 2,140 feet above sea level with the latter point recorded on Starvation Mountain. The predominant land uses are low density residential and – albeit at a decreasing level – commercial agriculture.¹⁰ There are 21,366 registered voters.

Ramona MWD’s jurisdictional boundary spans 46,005 acres and covers 2% of all of San Diego County. All jurisdictional lands are unincorporated except for a 3.0 acre incorporated parcel in the City of Poway that comprises the MWD pump station.

Ramona MWD Jurisdictional Boundary Characteristics

Table 3.1a (Source: San Diego LAFCO)

Total Jurisdictional Size	46,005 acres
Total Jurisdictional Parcels and Acreage (excludes rights-of-ways, etc.)	19,662 parcels totaling 44,575 acres
- Publicly Owned Parcels and Acreage	261 parcels totaling 11,115 acres
- Privately Owned Parcels and Acreage	19,401 parcels totaling 33,460 acres
- Percentage of Privately Owned Parcels Developed	67%
Total Number of Registered Voters	21,366
Total Assessed Value (Land and Structures)	\$4.560 billion

Total assessed value (land and structure) within the Ramona MWD jurisdictional boundary is \$4.5 billion at the end of the report period and translates to a per acre ratio of \$0.099 million. The former amount – \$4.5 billion – further represents a per capita value of \$0.129 million based on the estimated fulltime population in Ramona MWD of 35,369. Ramona MWD receives 14.23% of the 1.0% in property taxes annually collected within the jurisdictional boundary. This apportionment produces an annual average of \$5.697 million over the report period.

Ramona MWD receives \$14.23 for every \$1,000 of property tax collected within its jurisdictional boundary.

¹⁰ Agriculture within the unincorporated community of Ramona primarily began with dairies, poultry, sheep, and cattle as well as honey, fruits, grain and dry-farming products. In the 1920’s, Ramona was recognized for its turkey and egg production and was known as “The Turkey Capital of the World.” Since then, agriculture has slowed in the region, and slowly transitioned since the annexation of the San Diego Country Estates in the 1970’s and the progression of suburban development. Ramona, however, remains active in agriculture and most notably in wine production and recognized for over 30 first-generation wineries in the region.

The jurisdictional boundary is currently divided into 19,662 legal parcels and spans 44,575 acres. (The remaining jurisdictional acreage consists of public rights-of-way and related dedications.) Three fourths – or 75.1% – of the parcel acreage in Ramona MWD is under private ownership with 67% of this amount having already been developed, although not necessarily at the highest allowed zoning density. The remainder of the private acreage is undeveloped and consists of 1,723 parcels totaling 11,148 acres. Approximately one-tenth of the jurisdictional boundary qualifies as a disadvantaged community under LAFCO policy and overlaps the “San Vicente” area in Ramona.

67% of all privately owned acreage in Ramona MWD has been developed to date. The remaining 33% of the private acreage is undeveloped and totals 11,148 acres.

3.2 Sphere of Influence

Ramona MWD’s sphere of influence was originally established by LAFCO in April 1983 and was most recently reviewed by the Commission in June 2014. The sphere of influence has remained coterminous with the jurisdictional boundary. No outside lands immediately adjacent to the sphere of influence qualify as a disadvantaged unincorporated community under LAFCO policy (emphasis). One discontinuous area exists within the City of Poway boundary which is the location of the Poway Pump Station which is owned by the District.¹¹

LAFCO’s sphere of influence for Ramona MWD remains coterminous with its jurisdictional boundary and reflects a standing Commission policy expectation that no changes are anticipated in the near future.

3.3 Other Boundaries (Non-LAFCO)

The County of San Diego General Plan was last updated by the Board of Supervisors in August 2011 and provides development policies and objectives for all unincorporated area. Specific policies and objectives for the Ramona region are delegated in the General Plan to the Ramona Community Plan, which is one of 22 designated communities identified by the Board of Supervisors meriting stand-alone land use provisions. The Ramona Community Plan Area covers 83,955 acres and encompasses 99.9% of the Ramona MWD boundary with the excluded area involving the incorporated portion of the District.

The Ramona Community Plan serves as the core planning document for the Ramona MWD jurisdictional boundary. The Plan and its core objectives are captured by the following statement: “accommodate an increasing population without adversely affecting agricultural land uses, open space buffers, and recreational opportunities.”

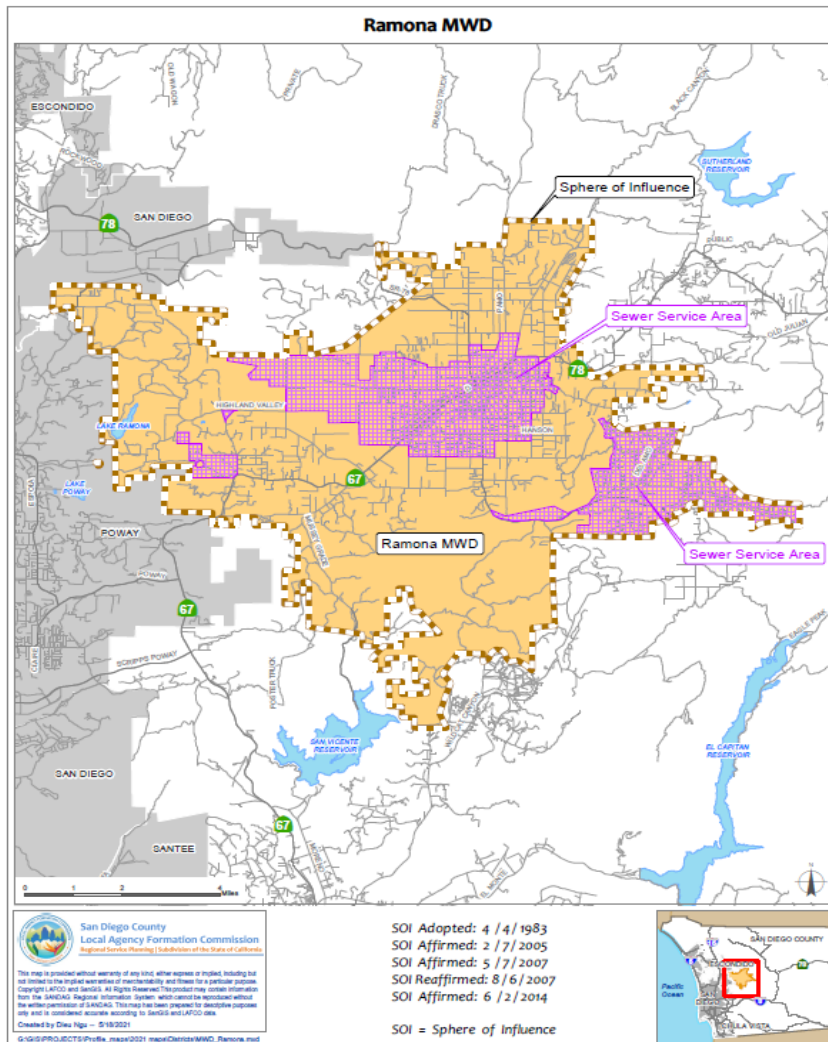
A 15-member advisory body – Ramona Planning Group – assist in the implementation of the Ramona Community Plan and the document’s notable features, which includes limiting residential development in its most dense area (Town Center) to no more than 7.3 dwelling units per acre.¹²

¹¹ The Ramona MWD jurisdictional boundary was inclusive of a Special Study Area created in December 2016 following a resolution and application by Ramona MWD requesting Commission approval of an approximate 953-acre expansion of the District’s activated latent powers area for sewer service to facilitate the development of a residential development project known as “Montecito Ranch.”

¹² The Ramona Planning Group holds regular meetings on the first Thursday of each month at 7:00 P.M. Regular meetings are held at the Ramona Library at 1275 Marin Street. Boardmembers are elected by registered voters within the Community Planning Area or appointed by the Board of Supervisors in lieu of contested elections. The current Chair of the Ramona Community Planning Group is Casey Lynch.

With respect to other germane boundaries, Ramona MWD falls entirely within the Ramona Unified School District. The total student enrollment at the end of the report period was 5,472 and represents an overall decrease of (3.9)% over the preceding 60-month period.

3.4 Current Boundary and Sphere Map



Quick Facts

Jurisdictional Boundary

75 square miles or 46,005 acres
- nearly 2x the City of Poway

Divided into 19,662 parcels
- 19,401 (98.6%) are privately owned and total 33,460 acres

Growth expected
- 24% of the jurisdictional boundary that is under private ownership remains undeveloped

\$4.5 billion in assessed value

10% qualifies as DUC

Sphere of Influence

Last updated in 2014

Coterminous with boundary

4.0 DEMOGRAPHICS

4.1 Population and Housing

Ramona MWD’s total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 35,369 as of the term of the five-year report period. This amount represents 1.1% of the countywide total. It is also estimated the fulltime population has risen overall by 9.6% – 3,213 – from 33,357 in 2010 and the last census reset. This translates to an annual change of 1.1%, which is more than one-fifth higher than the corresponding countywide growth rate of 0.86% over the same period. The current estimate also produces a population density of 0.8 resident for every 1.00 acres and underlies the overall rural character of the service area. For the purposes of this report, it is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 38,569 by 2024.

It is estimated there are 35,369 fulltime residents in Ramona MWD at the end of the report period. It is also projected the fulltime population will increase consistent with recent trends – or 1.1% annually – and reach 38,569 by 2024.

Ramona MWD Resident Population				
Table 4.1a (Source: Esri San Diego LAFCO)				
Factor	2010 Estimate	2019 Estimate	Annual Change	2024 Projection
Ramona MWD	33,357	36,570	1.07%	38,569
San Diego County	3,095,264	3,333,975	0.86%	3,479,823

LAFCO separately estimates 12,410 residential housing units within Ramona MWD’s jurisdictional boundary through the term of the report period. This amount represents an overall increase of 4.0% or 487 since 2010 for an annual gain of 54. With respect to current housing characteristics, and based on five-year averages, 68% are owner occupied, 26% are renter occupied, and the remaining 6% are vacant. The average household size has remained relatively stagnant and ended the report period at 3.0. The median monthly housing cost has decreased by (2.7%) over the preceding period from \$2,166 to \$2,107 based on the most recent five-year period averages. The mean monthly housing cost, however, remains substantially above the countywide average of \$1,578 and equals 28% of the average household income at the end of the report period.

Housing production in Ramona MWD currently totals 12,410 dwelling units; and amount that has increased by 487 since 2010. The average monthly housing costs has slightly declined over the same period from \$2,166 to \$2,107 with the latter amount equaling 28% of the average household income.

Ramona MWD Housing Characteristics

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

Factor	Ramona MWD Boundary	San Diego County
2010 Housing Units	11,923	1,164,766
2019 Housing Units	12,410	1,233,127
... Change	+487 or 4.1%	+68,361 or 5.7%
Household Size (5-year average 2007-2011)	2.98	2.79
Household Size (5-year average 2012-2016)	3.02	2.87
... % Change	1.44%	2.88%
Monthly Housing Cost (5-year average 2007-2011)	\$2,166	\$1,540
Monthly Housing Cost (5-year average 2012-2016)	\$2,107	\$1,578
... % Change	(2.71%)	(2.47%)
2010 Vacancy Rate	6.60%	6.69%
2019 Vacancy Rate	4.95%	5.45%
... % Change	(25.00%)	(18.53%)

4.2 Age Distribution

The median age of residents in Ramona MWD is 46 based on the current five-year period average. This amount shows the population is getting slightly older with the median age experiencing an overall change of 2.6% over the preceding five-year period average. The current median age in Ramona MWD also continues to be significantly higher compared to the countywide average and its ending average of 35. Residents in the prime working age group defined as ages 25 to 64 also make up more than one-half of the total population at 55.3% and represents a further separation of less than one-tenth from the countywide total of 47.0% during the two periods.

Residents in Ramona MWD tend to be much older relative to countywide averages at 46 compared to 35.

Ramona MWD Median Age of Residents

Table 4.2a (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	44.34	45.49	2.59%
San Diego County	34.60	35.30	2.02%

Ramona MWD Prime Working Age, 25-64

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

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	55.1%	55.3%	0.3%
San Diego County	53.4%	47.0%	(11.99%)

4.3 Income Characteristics

The median household income in Ramona MWD is \$92,543 based on the most recent five-year period average. This amount shows fulltime residents are receiving moderately less pay with the median income experiencing an overall decrease of (5.5%) from the preceding five-year period average of \$97,917. The current median household income in Ramona MWD, nonetheless, remains two-fifths higher than the current countywide median of \$66,259. Separately, the current average rate of persons living below the poverty level in Ramona MWD is 7.6% and has increased by almost one-tenth – or 11.0% – over the earlier five-year period. The poverty rate in Ramona MWD remains one-half lower than the countywide rate of 14.0%.

Ramona MWD residents' average median household income has experienced a moderate decrease in recent years and is currently \$92,543. Despite the decrease, this amount remains substantively higher than the countywide average of \$66,529.

Ramona MWD

Median Household Income

Table 4.3a (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	\$97,917	\$92,543	(5.49%)
San Diego County	\$63,857	\$66,529	14.20%

Ramona MWD

Resident Poverty Rates

Table 4.3b (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	6.98%	7.75%	11.01%
San Diego County	13.01%	14.00%	0.6%

4.4 Socioeconomic Indicators

Unemployment levels within Ramona MWD remain comparatively low at 3.4% based on the most recent five-year averages and fall nearly one-third lower than the corresponding countywide average of 4.9%. Unemployment levels within Ramona MWD also have improved and decreased over the prior five-year average by almost one-half. Other notable socioeconomic indicators reflected in the most recent five-year averages include double-digit percent increases in the number of residents teleworking as well as residents with college degrees. Non-English speakers in Ramona MWD equal 6.0% of all residents and nearly three times below the countywide average.

Residents in Ramona MWD continue to experience low levels of unemployment with a current average of 3.4% and one-third below the countywide average of 4.9%. The rate of residents teleworking increased by two-fifths over the report period and three times the corresponding change in all of San Diego County.

Ramona MWD

Unemployment Levels

Table 4.4a (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	6.71%	3.43%	(48.90%)
San Diego County	5.60%	4.90%	(11.99%)

Ramona MWD

Working from Home

Table 4.4b (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	6.63%	10.63%	60.31%
San Diego County	6.00%	7.00%	16.67%

Ramona MWD

Non-English Speaking

Table 4.4c (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	5.86%	6.03%	2.91%
San Diego County	16.10%	15.00%	(6.83%)

Ramona MWD

Four-Year College Graduates

Table 4.4d (Source: SD LAFCO and ESRI)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
Ramona MWD	30.91%	36.17%	17.0%
San Diego County	34.20%	36.50%	6.73%

5.0 ORGANIZATION

5.1 Governance

Ramona MWD's governance authority is established under the Municipal Water District Act of 1911 and codified under Water Code Section 71000-73001. This principal act empowers Ramona MWD to provide a moderate range of municipal services upon approval by LAFCO. Ramona MWD is currently authorized to provide five municipal service functions: potable water; wastewater; fire protection and emergency medical; parks and recreation; and non-potable water (recycled water). The remaining service functions (i.e. powers) enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing and subject to conducting authority proceedings. Similarly, should it ever seek to divest itself of directly providing an active service function, Ramona MWD would also need to seek LAFCO approval at a notice public hearing. Active and latent functions follow.

Active Service Functions

Potable Water
Wastewater
Fire Protection and Emergency Medical
Non-Potable Water (Recycled Water)
Park and Recreation

Latent Service Functions

Storm Drainage
Solid Waste-Garbage
Hydroelectric-Wind-Solar Power

Governance of Ramona MWD is independently provided by a five-member Board of Directors. Each member of the Board is directly elected by registered voters or – and as needed – appointed by the County of San Diego Board of Supervisors to four-year terms. Each member represents one of five distinct geographical divisions. The Board includes four appointed officer positions: President; Vice President; Treasurer; and Secretary. The Board regularly meets on the second Tuesday of each month at 6:00pm at the Ramona Community Center located at 434 Aqua Lane in Ramona. Directors receive a \$100 per diem for each meeting attended. Summary minutes are prepared for all meetings; audio and video recordings are not provided. A current listing of the Board along with respective backgrounds and years served with the District follows.

Board meetings are regularly scheduled each month on the second Tuesday. Board members receive a \$100 per diem for each meeting attended.

Ramona MWD

Current Board Roster

Table 5.1a (Source: Ramona MWD)

Member	Position	Division	Years on Board	Background
Jim Hickle	President	Division 2	7 years	Engineer/Manager
Jeff Lawler	Director	Division 1	5 years	Finance
Jim Robinson	Vice President	Division 4	20 years	Ramona Parks & Recreation Association
Gary Hurst	Treasurer	Division 5	< 1 year (2020)	Public/Private Sector Director
Jim Piva	Secretary	Division 3	< 1 year (2021)	Business Owner
Average Experience on the Board				7 Years

5.2 Administration

Ramona MWD appoints an at-will General Manager to oversee all District activities. Principal duties of the General Manager include preparing an annual budget, supervising senior staff, and serving as a liaison with State and local agencies. The current General Manager – Craig Schmollinger – serves in an interim capacity and oversees a budgeted staff of 48.0 full-time equivalent employees and divided between five municipal divisions: (a) administrative services; (b) engineering; (c) finance; (d) wastewater; and (e) water. Additional details involving contracting services is footnoted.¹³ Budgeted staffing has remained at the same staffing levels during the five-year reporting period. Legal services are provided by contract from the law firm of McDougal, Love, Boehmer, Foley, Lyon & Canlas (La Mesa) and supplemented as needed by the law firm of Procopio (San Diego).

Ramona MWD's Administrative Office
105 Earlham Street, Ramona, CA 92065



**Ramona MWD
Budgeted Staffing Levels**

Table 5.2a (Source: Ramona MWD)

FY2014-2015	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019	Average	Trend
48	48	48	48	48	48	0.0%
.05 staff per 1,000 residents	.05 staff per 1,000 residents	.05 staff per 1,000 residents	.05 staff per 1,000 residents	.05 staff per 1,000 residents	.05 staff per 1,000 residents	

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year.

6.0 MUNICIPAL SERVICES

Ramona MWD is authorized by LAFCO to provide five distinct municipal service functions in support of current development within its jurisdictional boundary: (a) potable water; (b) wastewater; (c) fire protection and emergency medical; (d) parks and recreation; and (e) non-potable water (recycled). A summary analysis of these active functions follow with respect to capacities, demands, and performance as applicable during the five-year report period.

¹³ Ramona MWD contracts with CAL FIRE and Dudek for fire protection and engineering services, respectively. Ramona MWD also contracts with Ramona Parks and Recreation Association to oversee community recreation services.

6.1 Potable Water Service

Ramona MWD's potable water services represent the District's primary service function and involves retail class only. Potable water services commenced following Ramona MWD's formation in 1956 and the subsequent construction of an initial distribution system to connect to the County Water Authority's wholesale infrastructure. The distribution system was initially focused in the central Ramona townsite area. The distribution system expanded in conjunction with Ramona MWD becoming successor agency to the Ramona Irrigation District in 1966 and later the San Diego Country Estates following its annexation in 1970. The water system includes nearly one dozen lift stations and over 50 pumps to accommodate topography changes and spans approximately 45 square miles – an amount capturing 60% of all lands within the jurisdictional boundary. The jurisdictional lands lying beyond the distribution system are generally located in undeveloped preserve lands throughout the service area. The distribution system covers 8 pressure zones that are connected through approximately 209 miles of distribution lines.¹⁴ The water system period tallied 8,970 active connections at the end of the report period with 8,318 – or 93% – classified as residential. It is estimated the resident population within the water service area is 25,120 based on 8,318 resident connections and average household size of 3.02.

Ramona MWD's potable water service is retail class only and currently covers approximately 60% of the jurisdictional boundary. The estimated water service area population at the end of the report period is estimated at 25,120.

Service Capacities and Related Resources

Ramona MWD's potable water supplies are entirely imported and drawn from the County Water Authority. This imported supply is secured through a membership agreement memorialized at the time of the District's concurrent annexation to the Authority and the Metropolitan Water District of Southern California in 1957. An approximate 1,000-foot uphill transmission line connects Ramona MWD to the County Water Authority's San Diego County Aqueduct byway of the Poway Pump Station. The membership agreement entitles Ramona MWD to purchase for subsequent retailing an unlimited amount of water subject to external (i.e. Bay Delta and Colorado River flows) and internal (i.e. infrastructure) conditions. This latter condition is highlighted by limitations from Ramona MWD's connection points with the County Water Authority and Poway Pump Station and informs the District estimate that is maximum daily potable supply is 20.7 million gallons or 63.5 acre-feet. If operating continually, this daily

Ramona MWD is dependent on water supplies imported from the County Water Authority (Bay Delta and Colorado River). The maximum available supply available to Ramona MWD in any one year based on current infrastructure is 23,184 acre-feet.

¹⁴ The distribution system currently has two separate potable transmission connections to the County Water Authority. The distribution system also has one non-potable transmission connection.

capacity translates to an annual maximum potable supply capacity of 7.555 billion gallons or 23,183.5 acre-feet.¹⁵

Ramona MWD Available Potable Water Supplies Table 6.1a (Source: Ramona MWD)		
Direct Source	Maximum Daily Infrastructure Capacity	Maximum Annual Infrastructure Capacity
County Water Authority	20.7 million gallons or 63.5-acre feet	7.6 billion gallons or 23,178-acre feet

Treated water enters Ramona MWD's distribution system from the County Water Authority's transmission line via the Poway Pump Station and supplies eight connected pressure zones within the District. Treated storage is provided by 23 local reservoir facilities with a combined capacity of 25.354 million gallons or 78.0 acre-feet and concurrently maintain pressure in the distribution system.¹⁶

Ramona MWD has 25.4 million gallons – or 78 acre-feet – of potable storage in its distribution system.

Ramona MWD's potable water services operate as an enterprise fund and funded exclusively from user charges and fees. The average adopted budget expense during the five-year report period has been \$17.5 million with the most recent yearly amount totaling \$20.2 million. Actual expenses have increased by 16.8% over the corresponding 60-month period while actual revenues have increased 2.3%.

Ramona MWD's actual potable water expenses have increased by 16.8% over the report period while actual revenues have increased 2.3%.

Ramona MWD's potable water rates are set by ordinance and were last updated by the Board in 2019. Potable water charges are billed monthly and include two distinct fees: fixed availability based on meter size and variable commodity based on usage.

The average residential customer paid \$124 per month based on ending totals in the report period.

¹⁵ Ramon MWD is also entitled under its membership agreement with the County of Water Authority to receive raw (untreated) water supplies and available through a separate transmission connection. This secondary supply resource, however, is not utilized by the District given its Barger Treatment Facility remains offline since 2007.

¹⁶ Ramona MWD maintains seven non-treated storage reservoirs that can hold up to 41 acre-feet.

Service Demands

Ramona MWD's total average annual potable water demand production over the five-year report period has been 1.25 billion gallons or 3,826-acre feet and equates to a daily use of 10.5 acre-feet. The most recent year-end amount showed total demand at 1.16 billion gallons and represents an average daily water demand of 3.2 million gallons. The amount is further reduced to the equivalent of 127 gallons per day for every estimated fulltime resident based on a projected resident water service population of 25,120.¹⁷ The average peak-day demand – the highest one-day sum – over the report period was 5.24 million gallons. This latter amount produces an average peaking factor of 1.6 and shows high-demand periods increase usage by more than one-half – or 64%.

Ramona MWD's overall annual water demands have averaged 3,826 acre-feet and produces an estimated daily per capita use of 139 gallons.

With respect to trends, Ramona MWD experienced an overall change of (6.3%) in potable water demands – or (1.3%) annually – over the five-year report period. The overall change in water demands over the corresponding 60-month period contrasts with the estimated 5.4% increase in population and shows de-intensification of uses. Overall demands and trends generated within Ramona MWD during the report period follows.

Ramona MWD's overall potable water demands as measured by per capita use has changed by (10.4%) over the five-year report period from 142 to 127. This contrasts with the overall growth rate of 5.4% during the report period and suggests – among other factors – users are de-intensifying their water uses.

Ramona MWD Potable Water Demands Table6.1c (Source: Ramona MWD and SD LAFCO)							
Category	2015	2016	2017	2018	2019	Average	Trend
Annual Total (AF)	3,813.1	3,722.9	3,903.7	4,116.1	3,572.8	3,825.73	(6.3%)
Average Day Total (AF)	10.45	10.20	10.70	11.28	9.79	10.48	(6.3%)
... Per Resident (G)	141.7	136.8	141.9	147.9	127.0	139.0	(10.4%)
Peak Day Total (AF)	14.63	16.32	16.04	15.78	14.68	15.60	1.0%
... Peaking Factor	1.4	1.6	1.5	1.4	1.5	1.5	7.1%

AF = Acre-Feet
MG = Million Gallons

¹⁷ Resident water service population is based on the current number of residential connections (8,318) and the 2016 average household size (3.02).

Service Performance

Ramona MWD's potable water system is operating sufficiently and marked by excess supply and storage capacities in accommodating existing demands based on usage generated during the five-year report period. These capacities are similarly expected to accommodate anticipated demands over the next five-year period with variables – including resiliency during different hydrological periods – having been appropriately evaluated by Ramona MWD in its Urban Water Management Plan, which was most recently updated in 2015.

Ramona MWD has established sufficient potable infrastructure and related capacities and marked – and among other measurements – by the average annual demand over the report period equaling only 17% of accessible supplies under normal conditions.

The following statements summarize and quantify existing and projected relationships between Ramona MWD's capacities and demands now and going forward towards 2024. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements that all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

Water Supply

- The average annual potable demand production generated over the report period for the entire distribution system represents 16.5% of Ramona MWD's accessible maximum treated supply through its connection to the County Water Authority. The average peak-day demand represents 24.6% of the available supply.

Water Storage

- Average peak-day potable demands over the report period for the entire distribution system represents 13.5% of Ramona MWD's existing total potable storage capacity. The total potable storage capacity can separately accommodate up to 7 consecutive days of average day demands generate over the report period without recharge.

Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows there have been no violations issued for drinking water standards to Ramona MWD during the report period. The last violation was issued in 2002 and involved excessive coliform levels and was subsequently cleared.

- Ramona MWD's most recent water quality report was issued in 2019 and shows the results of self-monitoring conducted from January 1 to December 31, 2018. The report is divided into testing for both primary and secondary contaminants as prescribed by the State. No excessive primary or secondary contaminants were identified.

Water Rates

- Ramona MWD ratepayers receive two related charges for potable water service: (a) fixed availability and (b) variable usage.¹⁸ The charges were last updated at the end of the report period in 2019. Based upon the monthly usage calculation detailed in the accompanying footnote, the average monthly charge for residential ratepayers in Ramona MWD is \$124 and translates to \$1,488 annually.¹⁹

6.2 Wastewater Services

Ramona MWD's wastewater service operations commenced in 1980 following activation by LAFCO and in conjunction with the District becoming the successor agency to Ramona Sanitation District and its "San Vicente" system. This system spans approximate 3,850 acres at the eastern end of the jurisdictional boundary and serves the San Diego County Estates development. It

Ramona MWD's wastewater service comprises three classes (collection, treatment, and disposal) and within two distinct service areas in the District: "San Vicente" and "Santa Maria." The total wastewater service population at the end of the report period is estimated at 25,108.

is estimated the resident population within the San Vicente service area is 9,464 at the end of the five-year report period. Separately, Ramona MWD operates a second wastewater service area – "Santa Maria" – in conjunction with serving as successor agency to the Mt. Woodson Ranch Sanitation District in 1993. The Santa Marina system presently serves an approximate 6,990-acre area and generally encompasses the downtown Ramona area. It is estimated the resident population within this service area is 15,644. A description of the demands, capacities, and performances within each of the two distinct service areas follows.

¹⁸ Ramona MWD also passes through all wholesale water cost increases from the County Water Authority including an infrastructure access charge.

¹⁹ The refenced calculation draws on the total residential, or domestic deliveries in 2019 (2,858 AF) and divided that by the number of domestic accounts (8,318) for the year and determined a gross average domestic use for the year, which was .34 AF/per year, or 111,949 gallons. This produces an average daily residential household use of 307 gallons. This represents 12.5 units of water per account per month. This usage, times the 2019 summer treated water rate, and adding the monthly system charge and per unit pumping charge totals \$124 per month or \$1,488 per year.

San Vicente Service Area

Service Capacities and Related Resources

Ramona MWD's wastewater system in the San Vicente service area comprises collection, treatment, and disposal service and is largely dedicated to the San Diego Country Estates development. The collection system includes approximately 43 miles of gravity lines and conveys sewage to the Ramona MWD's San Vicente Reclamation Facility. The collection system currently includes 5,169 active connections and is 99% built out based on current zoning standards.²⁰ The San Vicente Reclamation Facility provides tertiary-level treatment processes including reverse osmosis and has a current maximum permit capacity of 0.800 million gallons a day.²¹ Treated wastewater is subsequently delivered to the San Vicente Golf Course ponds, where the water is then used for irrigation of the golf course and landscaped common areas.

The maximum daily capacity at the San Vicente Reclamation Facility is 0.800 million gallons.

Wastewater services in the San Vicente service area operate exclusively as an enterprise function with daily operations dependent on revenues generated from user charges and fees. The average adopted budget expense during the five-year report period specific to the San Vicente service area has been \$2.5 million with the most recent amount at the end of the report period totaling \$2.6 million. Actual expenses have increased by 7.1% over the corresponding 60-month period while actual revenues have increased by 29.1%.

Actual expenses in the San Vicente service area have increased by 7.1% over the report period. This amount is 4 times favorably under the corresponding 29.1% increase in actual revenues.

Ramona MWD's wastewater rates for the San Vicente service area were last updated by the Board in October 2019. In 2019, customers were billed the equivalent of a flat \$64.02 per month for wastewater service. Charges are collected by annual invoicing included on the customers' annual property tax bill which is then paid in two installments. Rates will increase by 1.5% each year through 2023 and will result in a total monthly increase of \$3.93 – or \$47.14 annually – by 2023.

Customers in the San Vicente service area are charged the equivalent of \$64.02 per month for wastewater service in 2019.

²⁰ RMWD Sewer System Management Plan, Revised January 18, 2019.

²¹ Primary treatment involves separation of solids from the wastewater. Secondary treatment further treats the wastewater by removing dissolved compounds that are measured as Biochemical Oxygen Demand.

Service Demands

Average annual wastewater demands generated within the San Vicente service area during the five-year report period has been approximately 179.0 million gallons. This amount serves as a macro-overview of system demands and represents a daily average flow of 0.490 million gallons. It also translates to an estimated 95 gallons generated daily per service connection. Average daily demands overall have decreased by (3.9%) during the five-year report period.

The average daily wastewater flows generated during the report period in the San Vicente service area has been 0.490 million gallons and an overall change of (3.9%).

Supplementary micro measurements of recent wastewater demand within the San Vicente service area are summarized and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within the San Vicente service area have been 0.480 million gallons. This flow typically is recorded between May and October and most recently tallied 0.48 million gallons as of the report term and produces a net 0% change during the 60-month period.
- Average daily wet-weather wastewater flows over the five-year report period within the San Vicente service area have been 0.520 million gallons. This flow typically is recorded between November and April and most recently tallied 0.550 million gallons as of the report term with an overall increase of 1.9% during the 60-month period.
- Average daily peak-day wastewater flows over the five-year report period within the San Vicente service area have been 0.760 million gallons and have increased by 2.6%. The former amount produces a peak-factor relative to average day demands of 1.55.

Ramona MWD San Vicente Service Area Recent Wastewater Demands Table 6.2a (Source: Ramona MWD)				
Year	Average Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2015	0.51	0.48	0.54	0.77
2016	0.48	0.47	0.48	0.71
2017	0.49	0.49	0.53	0.90
2018	0.48	0.48	0.49	0.65
2019	0.49	0.48	0.55	0.79
Average	0.49	0.48	0.52	0.76
Trend	(3.9%)	0.0%	1.9%	2.6%

Service Performance

Ramona MWD is currently operating with sufficient and excess capacity within its San Vicente service area in accommodating existing estimated user demands generated during the five-year report period *under normal conditions* (emphasis). This statement is substantiated with average day demand during the report period equaling 61% of the current treatment and discharge capacity at the San Vicente Reclamation Facility. The capacity consumption, however, increases to 95% based on average peak-day flows during the period. Should the current five-year trend hold, peak-day demands will exceed available capacity with the next two years.²²

Ramona MWD's San Vicente service is presently operating at 61% in terms of average daily flow relative to capacity consumption. This amount increase to 95% relative to average peak day demand. This latter figure leaves the District susceptible to future infrastructure failures associated with growth and/or added more infiltration and inflow.

With respect to other performance measurements, the following items are noted.

- Ramona MWD currently cleans the system on alternate years and approximately cleans 221,500 feet of pipe each year within the San Vicente service area. This amount represents about 42% of the current collection system and means the entire collection system is on pace to be cleaned every four-years.
- Ramona MWD self-reported to the State Water Quality Control Board a total of three sanitary sewer overflows within the San Vincente service area during the five-year report period. All three spills qualified as Category 3 and means each incident is considered minor and involved less than 1,000 gallons of untreated sewer and none of the spilled wastewater reached surface waters. The last spill occurred on October 27, 2016.

Santa Maria Service Area

Service Capacities and Related Resources

Ramona MWD's wastewater system in the Santa Maria service area consists of collection, treatment, and disposal and largely dedicated to the downtown and surrounding developments in central Ramona. The collection system includes approximately 29 miles of gravity lines and conveys sewage to Ramona MWD's Santa Maria Reclamation Facility. The collection system currently includes 1,863 active connections and is estimated at

The maximum daily capacity at the Santa Maria Reclamation Facility is 1.0 million gallons.

²² The current five-year trend includes the above average rainfall years of 2017 and 2019. The five-year peak-day demands for normal water years is likely lower.

50% built out based on current zoning. The Santa Maria Reclamation Facility provides secondary-level treatment and has a current maximum permit capacity of 1.0 million gallons a day.²³ All treated wastewater is discharged into one of two storage ponds before conveyed to spray fields or treated through the recycled water plant and then used for irrigation. Ramona MWD has one retail customer that is permitted to take recycled water from the Santa Maria Reclamation Facility. This large user has taken roughly 200 acre-feet per year of recycled water over the study period and has an agreement to continue taking recycled water into the future.

Wastewater services in the Santa Maria service area operate exclusively as an enterprise function with daily operations dependent on revenues generated from user charges and fees. The average adopted budget expense during the five-year report period specific to the San Vicente service area has been \$2.3 million with the most recent amount at the end of the report period totaling \$2.4 million. Actual expenses have increased by 8.6% over the corresponding 60-month period while actual revenues have increased by 76%.

Actual expenses in the Santa Maria service area have increased by 8.6% over the report period. This amount is eight times over the corresponding 76% increase in actual revenues.

Ramona MWD's wastewater rates for the Santa Maria service area were last updated by the Board in October 2019. In 2019, customers were billed the equivalent of a flat \$67.12 per month for wastewater service. Charges are collected by annual invoicing included on the customers' annual property tax bill which is then paid in two installments. Rates will increase by 2.0% each year through 2023 and will result in a total monthly increase of \$5.54 – or \$66.40 annually – by 2023.

Most customers in the Santa Marina service area are charged the equivalent of \$67.12 per month for wastewater service.

Service Demands

Average annual wastewater demand in the Santa Maria service area generated during the five-year report period has been approximately 219.0 million gallons. This amount serves as a macro-overview of system demands and represents a daily average flow of 0.600 million gallons. It also translates over the report period to an estimated 322 gallons daily for every service connection. Average daily demands overall during the report period have changed by 10.3%.

The average daily wastewater flows generated during the report period in the Santa Maria service area has been 0.600 million gallons and an overall change of 10.3%.

²³ Ramona MWD, About Us – Wastewater Operations. Accessed from <https://www.rmwd.org/about-us/wastewater-operations>.

Supplementary micro measurements of recent wastewater demands within the Santa Maria service area are summarized and reflected in the proceeding table.

- Average daily dry-weather wastewater flows over the five-year report period within the Santa Maria service area have been 0.570 million gallons. This flow typically is recorded between May and October and most recently tallied 0.60 million gallons as of the report term with an overall change of 2.3% during the 60-month period.
- Average daily wet-weather wastewater flows over the five-year report period within the Santa Maria service area have been 0.670 million gallons. This flow typically is recorded between November and April and most recently tallied 0.83 million gallons as of the report term with an overall change of 43.1% during the 60-month period.
- Average daily peak-day wastewater flows over the five-year report period within the Santa Maria service area have been 1.550 million gallons. This latter amount produces a peak-factor relative to average day demands of 2.58.

Ramona MWD Santa Maria Service Area Recent Wastewater Demands Table 6.2b (Source: Ramona MWD)				
Year	Average Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2015	0.58	0.57	0.58	0.85
2016	0.57	0.54	0.58	1.10
2017	0.63	0.57	0.79	2.78
2018	0.59	0.58	0.58	0.95
2019	0.64	0.60	0.83	2.08
Average	0.60	0.57	0.67	1.55
Trend	10.3%	2.3%	43.1%	144.7%

Service Performance

Ramona MWD is currently operating with sufficient capacity within its Santa Maria service area in accommodating existing estimated user demands generated during the five-year report period *under normal conditions* (emphasis added). This statement is substantiated with average day demand during the report period equaling 60% of the current treatment and discharge capacity at the Santa Maria Reclamation Facility. The capacity consumption significantly increases during

Ramona MWD's wastewater system is presently operating at 60% capacity within the Santa Maria service area under normal conditions. The system – however – is regularly exceeding capacities under high wet periods with an average peak-day factor of 1.6 during the report period and suggest excessive inflow and infiltration is occurring and threatening future and significant spills.

high-rain periods with an average peak-day flow of 55% above capacity during the report period. This latter measurement has also risen by more than double over the corresponding 60-months.

With respect to other performance measurements, the following items are noted.

- Ramona MWD currently cleans the system on alternate years and approximately cleans 212,600 feet of pipe each year within the Santa Maria service area. This amount represents about 40% of the current collection system and means the entire collection system is on pace to be cleaned every four-years.
- Ramona MWD self-reported to the State Water Quality Control Board one sanitary sewer overflow within the Santa Maria service area during the five-year report period. The lone spill qualified as Category 3 (minor) and involved approximately 100 gallons associated with a lateral failure and occurred on August 2, 2016.

6.3 Fire Protection and Emergency Medical Services

Ramona MWD's fire protection and emergency medical services (first responder) commenced in 1981 following formal activation by LAFCO and in conjunction with the District becoming successor agency to the all-volunteer Ramona Fire Protection District. Operations transitioned to the current all-career operations beginning in 1993 in step with Ramona MWD establishing a contract with CAL FIRE and now fully intergraded. Although this report primarily focuses on the provision of fire protection and emergency medical services, most fire agencies are legally responsible, or have chosen to provide, the following services: fire prevention and code enforcement; disaster preparedness and mitigation; public education and community risk reduction; hazardous material response; and rescue response. A description of the demands, capacities, and performances follows.

Ramona MWD's integrated fire protection and emergency medical service function were inherited in 1981 as successor agency to the Ramona Fire Protection District. This function is further categorized as structural and basic life service classes (BLS), respectively.

Service Capacities and Related Resources

Ramona MWD's fire protection and emergency medical services' capacities are primarily dependent on human resources derived from its operations contract with CAL FIRE. The contract began in 1993 and most recently renewed in July 2019 through the end of 2020-2021.

Staffing Levels

The contract with CAL FIRE currently provides Ramona MWD with a minimum of 33 total career public safety personnel including a Battalion Chief, 30 station staff, and two emergency dispatchers at CAL FIRE's Monte Vista Dispatch Center in El Cajon.²⁴ All public safety personnel are assigned to one of three MWD stations and work two-day shifts (72 hours on and 96 hours off). Daily staffing in MWD is 11 personnel across the three stations plus a Battalion Chief to serve as Incident Commander. All personnel are trained, at a minimum, to provide Basic Life Support (BLS) and each fire engine and ambulance is staffed with at least one member trained to Advance Life Support (ALS) paramedic level. The District also utilizes reserves as needed from the San Diego County FPD – which is separately operated by CAL FIRE through its own County contract. Staffing levels have remained relatively consistent over the five-year report period with a net change of two additional personnel with a 60-month average of 1.12 personnel budgeted for every 1,000 residents.

Ramona MWD Fire Protection and Emergency Medical Staffing – Budgeted Table 6.3a (Source: Ramona MWD)							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Public Safety	30	30	29	30	31	30	3.3%
Non-Public Safety	2	2	2	2	2	2	0%
Total	32	32	31	32	33	32	3.1%
Per 1,000 Residents	1.09	1.11	1.15	1.13	1.11	1.12	1.4%

Facilities and Vehicles

Actual fire protection and emergency medical services are delivered out of three Ramona MWD fire stations based on dispatch from CAL FIRE. All fire department related facilities and vehicles are owned by MWD. Current station location, staffing, and vehicles assigned details follow.

- Station No. 80 is located in downtown Ramona at 829 San Vicente Road. This station typically responds to most dispatched calls assigned to MWD with an average onsite response demand of 5.51 calls per day – or 51.8% of the daily total District demand – during the five-year report period. There are currently 15 public safety personnel assigned to Station No. 80 (5 personnel per shift) including one paramedic fire engine with 3 personnel and a paramedic ambulance with 2 personnel.

²⁴ Ramona MWD maintains a separate contract with the San Diego County Fire Protection District (FPD) to provide building construction plan checks and fire prevention annual business inspections.

- Station No. 81 is located in the San Diego County Estates development at 24462 San Vicente Road. This station typically responds to the lowest amount of dispatched calls assigned to MWD with an average onsite response demand of 2.31 calls per day – or 21.7% of the daily total District demand – during the five-year report period. There are currently 12 public safety personnel (4 personnel per shift) for one paramedic fire engine with 2 personnel and a paramedic ambulance with 2 personnel, assigned to Station No. 81.
- Station No. 82 is located immediately outside downtown Ramona along Highway 67 at 3410 Dye Road. This station typically responds to the second most number of dispatched calls assigned to MWD with an average onsite response demand of 2.82 per day – or 26.5% of the daily total District demand – during five-year report period. There are currently 4 public safety personnel (2 personnel per shift) for one paramedic fire engine assigned to Station No. 82. One reserve fire engine and ambulance is located at this station as well.

Budget Considerations

Ramona MWD's fire protection and emergency medical services operate as a hybrid general-enterprise operation. The initial intention was for all fire related services to operate as an enterprise and funded through a special assessment that involves an annual fee for each equivalent dwelling unit within the District. This special assessment, however, has not been increased since 1995. This has resulted in the District becoming increasingly dependent on property taxes to cover fire related costs and paired with ambulance charges accounting for more than 50% of all revenues.

Ramona MWD's fire protection and emergency medical services are dependent on three distinct revenue sources: property taxes, special assessments; and ambulance charges. The portion of property tax used for fire protection and emergency medical equals 32.22% of all property tax monies expended by the District during the report period.

Ramona MWD

Funding Sources Exclusive of Property Tax and Transfers – Budgeted

Table 6.3b (Source: Ramona MWD)

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Fire EDU	\$2,667,369	\$2,692,820	\$2,692,820	\$2,715,442	\$2,700,172	\$2,693,725	1.2%
Ambulance Fees	\$645,000	\$837,695	\$923,000	\$1,000,000	\$1,150,000	\$911,139	78.3%
Fire Pre / Fire Resp Fees	\$20,000	\$42,000	\$25,000	\$35,000	\$33,000	\$31,000	65.0%
Subscription	\$9,000	\$10,000	\$10,000	\$7,000	\$7,000	\$8,600	(22.2)%
Earnings	\$2,000	\$2,000	\$2,600	\$13,000	\$35,000	\$10,920	1650.0%
Total	\$3,343,369	\$3,584,515	\$3,653,420	\$3,770,442	\$3,925,172	\$3,655,384	17.4%

The percentage of property tax allocated to fire protection ranged from a low of 22.39% in FY 15 to a high of 45.3% the next fiscal year. The average over the reporting period is 32.22%.

Ramona MWD Property Tax Allocation – Fire and EMS

Table 6.3c (Source: Ramona MWD)

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Fire Protection	1,250,000	2,465,000	2,250,810	1,750,000	1,750,000	1,893,162	40.0%
Total Property Tax	5,583,882	5,441,992	5,851,974	6,209,794	6,533,532	5,924,235	17.0%
Percent of Property Tax allocated to Fire	22.4%	45.3%	38.5%	28.2%	26.8%	32.0%	19.7%

Fire Protections and EMS expenses are summarized in the table below:

Ramona MWD Fire Protection and EMS Budget

Table 6.3d (Source: Ramona MWD)

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
CDF – Schedule A	\$5,152,797	\$5,654,769	\$5,559,212	\$5,578,381	\$6,187,583	\$5,626,546	20.1%
CDF – Schedule C & IF	\$444,392	\$469,662	\$403,540	\$522,790	\$543,614	\$476,800	22.3%
Total	\$5,597,189	\$6,124,421	\$5,962,752	\$6,101,171	\$6,731,197	\$6,103,346	20.3%
Cost per Resident (19')	\$153	\$167	\$163	\$167	\$184	\$167	20.3%

CDF – Schedule A represents to the budgeted cost of the contract for fire and emergency medical service with CAL FIRE. CDF – Schedule C and IF (Internal Fund Transfers) represents the internal, RMWD, costs attributed to fire and ems beyond the contact. The average adopted budget expense during the five-year report period for fire protection and emergency medical has been \$6.103 million with the most recent amount at the end of the report period totaling \$6.731 million. Actual expenses have increased by 20.26% over the corresponding 60-month period while actual revenues (non-property tax) have increased by 17.4% from \$3.343 million to 3.925 million.

Service Demands

Overall service demands for fire protection and emergency medical services from Ramona MWD during the five-year report period have averaged 2,847 dispatched calls annually or 7.8 daily. Approximately one-tenth – or 9.57% – of all dispatched calls during this period were canceled and resulted in onsite arrivals averaging 2,570 annually or 7.04 daily. Overall, onsite incidences for Ramona MWD have increased by 10.33% with a peak daily demand of 7.5 per day in 2017-2018. Automatic and mutual aid responses out of the District average one response every three days and does not appear to have a significant impact on the service delivery system.

Onsite incidences for Ramona MWD have increased in four of the five years during the report period with an overall change of 10.33%. The average number of onsite incidents assigned to MWD has been 7.04 each day.

A breakdown of actual onsite arrivals show Ramona MWD responded to 94.9% of all incidents during the report period within its jurisdictional boundary. The breakdown also shows Ramona MWD responded exclusively to 89.38% of actual onsite incidents within its jurisdiction. Conversely, 4.71% of onsite incidences in the jurisdictional boundary were responded exclusively by one or more outside agencies, although the percentage has increased over the report by more than one-fourth. The following table summarizes annual calls and onsite arrivals – including agency responders – as well as trends during the corresponding 60-month period.

Ramona MWD Fire Protection and EMS Demands Table 6.3e (Source: CAL FIRE & Ramona MWD)								
Category	FY2015	FY2016	FY2017	FY2018	FY2019	Average	Trend	...
Total Dispatched Incidents	2,668	2,766	2,755	3,041	3,006	2,847	12.7%	Increase
Total Cancelled Calls	239	258	241	298	326	272	36.4%	Increase
Total Onsite Responses	2,429	2,508	2,514	2,743	2,680	2,575	10.3%	Increase
-Responded by Ramona Only	2,233	2,273	2,175	2,422	2,404	2,301	7.7%	Increase
-Responded by Poway and Others	125	139	140	188	169	152	35.2%	Increase
-Responded by Other Agencies Only	71	96	199	133	107	121	50.7%	Increase

Automatic and Mutual Aid

Ramona MWD's fire protection and emergency medical service capacities are augmented by maintaining reciprocal aid agreements with surrounding jurisdictions as well as participating in the California State Fire & Rescue Mutual Aid System and San Diego County's master agreement for automatic aid known as Boundary Drop.

At the request of LAFCO, the District has identified the automatic aid agreements most frequently exercised over the five-year report period and assign volume categories – less than 10, greater than 10 and less than 25, greater than 25 and less than 50, and greater than 50 – relative to importing (received) and exporting (provided) resources annually

- CAL FIRE: more than 50 received per year
- San Diego County FPD (County Fire Authority): more than 50 a year both received and given
- Cleveland National Forest: less than 10 a year received
- Barona Fire: less than 10 a year received and given
- City of San Diego: less than 10 a year received and given
- City of San Diego: less than 10 a year received and given

In the aggregate, Ramona MWD receives more automatic aid and mutual aid assistance from outside agencies than it provides based on trends during the five-year report period. The primary driver of the automatic into the District are the responses by CAL FIRE augmenting the vegetation fire response to State Responsibility Areas within the District.

Service Performance

Insurance Services Office (ISO) Public Protection Classification Rating (PPC)

In 2000 Ramona MWD completed the evaluation of structural fire protection capabilities and received a Class 4/9 designation by the Insurance Services Office (ISO). The ISO classifications are designed to evaluate a fire department's ability to protect local communities. Fire departments use the data to help measure the effectiveness of their fire-protection services, and insurance companies use it when establishing premiums for fire insurance. A Class 1 rating generally represents superior property fire protection and can lower the price of insurance within a community. The Public Protection Classification Rating of 4 is for those areas of Ramona within 5 road miles of the existing three fire stations. Of the 890 fire agencies in California rated by ISO, this is an average score. The rating of 9 is for those areas outside the five-road mile zone and is below average but not unusual in rural communities.

Response Time Standards

Although there are no formal response time standards in the in the contract between Ramona MWD and Cal Fire, they do monitor and report their performance against the County Fire's adopted response time standards. These standards are based on the County's General Plan, Safety Element, and utilizes the approved land use designation to determine potential population density. There are three categories present within MWD: Urban with a 5-minute travel time requirement; Rural with a 10-minute travel time requirement; and Outlying with a 20 minute travel time requirement. The San Diego Country Estates and the Downtown Ramona core are all urban designations with the majority of the remainder considered rural. The following is a breakdown in response time compliance with the standard.

Ramona MWD District Response Time Table 6.3f (Source: Ramona MWD)							
Category	FY2015	FY2016	FY2017	FY2018	FY2019	Average	Trend
Response Time Compliance	78.6%	82.1%	83.0%	84.6%	83.4%	82.3%	6.1%
Response Time Percentile	0:08:17	0:08:13	0:08:09	0:07:52	0:08:16	0:08:09	0.2%

Considering that call volume has increased by approximately 10% over the five-year report period and the average response time improved – albeit slightly – it appears the capacities of Ramona MWD through CAL FIRE as measured by staffing and equipment are sufficiently sized to readily accommodate existing demands relative to local conditions. The sufficiency is quantified with the Ramona MWD stations responding exclusively to nearly ninety percent of all onsite incidents within the five-year report period and the relatively low dependency on outside agencies during the report period with an average of only 5 out of 100 onsite incidents necessitating aid-only responses. Additionally, the Ramona MWD Fire Chief (via CAL FIRE) states the District’s automatic responses with surrounding agencies are balanced with no agency receiving more than it provides and no areas in the District are dependent on outside agency response for consistent coverage.

Related Observations:

15. Ramona MWD should consider engaging ISO to re-rate MWD’s fire protection services and utilize their findings to guide future planning decisions.
16. Ramona MWD should consider engaging an outside agency to produce a Standards of Cover / Deployment Survey to identify areas in MWD that may require additional resources to shorten response time and increase the effective firefighting force.
17. Ramona MWD should consider adopting response time standards with desired time dependent benchmarks and making these parts of the contract language with CAL FIRE as there appears to be room for improvement in this area.
18. Ramona MWD should develop a vegetation management plan to mitigate the wildfire risk to the community. Further, a comprehensive review of community disaster risk should be completed and submitted to the County Office of Emergency Services for review and inclusion in the County’s Multi-Jurisdictional Hazard Mitigation Plan.
19. Ramona MWD should assure that any contract with the San Diego County FPD for the provision of code enforcement functions includes language consistent with SB 1205 regarding the number of annual inspections performed as a percentage of the total annual inspections required.

20. Notwithstanding the preceding observations, Ramona MWD should consider a voluntary consolidation to turn over its fire protection and emergency medical responsibilities to the San Diego County FPD. All indications are that this type of reorganization would increase services to MWD residents (adding personnel to Stations 81 and 82 to provide three personnel per paramedic fire engine) and possibly shield the ratepayers from additional cost increases.

6.4 Park and Recreation

Ramona MWD's park and recreation services commenced in 1975 following formal activation by LAFCO and covers the entire jurisdictional boundary. Activation was requested by Ramona MWD to increase parklands and provide related recreational services given limited County amenities in the community.²⁵ All park and recreation services are operated contractually by the 501(c)(3) non-profit Ramona Parks and Recreation Association since 1994 and presently divided between two broad categories: community parks and rental facilities.²⁶

Ramona MWD's park and recreation service function involves community parks and rental facilities and operate by contract with the Ramona Parks and Recreation Association (501(c)(3)).

Service Capacities and Related Resources

Ramona MWD operates a 166-acre community park – known as Wellfield Park – and Lake Ramona. Wellfield Park is located along Elm and Aqua Streets and immediately adjacent to the Ramona MWD's administrative office. It is a multi-use site open to all of the public and includes a fairgrounds facility, rodeo arena, outdoor event pavilion, and multiple athletic fields for both youth and adult sports programs. An approximate 8,000-square foot community center is also part of the Wellfield Park site and provides senior programs and acts as an evacuation center during emergencies. Wellfield Park is the home for many community events throughout the year and marked by cross-country

Wellfield Community Park
North End | Elm Street at Cedar Street

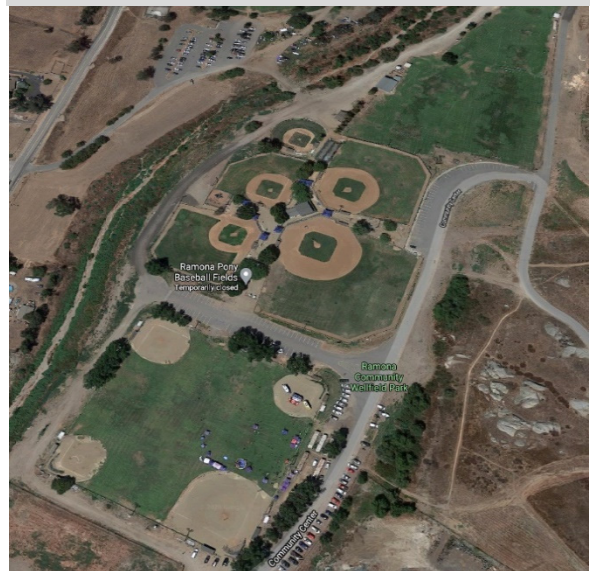


Photo Credit: Google Maps

²⁵ At the time of the activation, notably, the community had one 8.4-acre public park (Collier County Park) and reflected a ratio of 1.1 acres for every 1,000 residents and below the County standard of 5.0 acres for every 1,000 residents.

²⁶ The Ramona Parks and Recreation Association hold monthly meetings on the third Tuesday at the Ramona Community Center unless otherwise noted.

events and the annual Ramona Rodeo, which draws visitors from all over the west and accommodated by a 4,000-seat arena. Lake Ramona is located between the City of Poway and Ramona. It was built by Ramona MWD in the 1980's to serve as a clear water reservoir for future water uses. Lake Ramona today primarily as as a recreational site for residents interested in fishing and hiking through the Blue Sky Ecological Reserve.

Ramona MWD offers a variety of rental services headlined by making available amenities at Wellfield Park, including softball fields, rodeo arena, and community center rooms. Rental charges range in scope from \$15-\$20 per hour for community center rooms to \$200 per month for various park fields. Several local community groups regularly reserve weekly spaces and include all of the following organizations:

- Ramona Adult Softball League
- Ramona Junior Fair
- Ramona Sports Association/ Pony Baseball
- Ramona Soccer League
- Ramona Outdoor Community Center
- Ramona Girls Softball
- Ramona Pop Warner
- Ramona Valley Presbyterian Church
- Ramona Senior Center

Most of the funding resources for Ramona MWD's park and recreation service function is drawn from a special assessment – "District A" – approved by voters in the 1970's. District A involves a special assessment per parcel and generated an annual average of \$130,000 during the five-year report period and equaled 53% of total budgeted revenue. The remaining 47% of budgeted funding during the review period involved general property taxes. User fees and charges collected for park services are conducted by the Ramona Parks and Recreation Association (RPRA) through an existing 1994 agreement with RMWD. The agreement provides supplemental operating income for RPRA to manage the park outside of the District property tax revenues.

More than one-half of Ramona MWD's park and recreation service function is funded through a special parcel assessment – "District A."

Service Demands

Analysis pending.

Service Performance

Ramona MWD's current available parkland produces a ratio of 4.7 acres for every 1,000 residents. This ratio is substantially above the baseline standard established by the State of California for local communities under the Quimby Act, which specifies 3.0 park acres for every 1,000 residents. Nonetheless, an additional 189 parkland acres would need to be added to meet the policy goal of the County of San Diego in providing 10 park acres for every 1,000 residents. Existing facilities appear to be in generally good condition with the exception of the community center which currently has minor roof leaks. Other upcoming repair and/or replacement needs include rodeo arena bleachers replacement and park well water pumping equipment repairs.²⁷ There is currently no capital improvement program (CIP) guiding park and recreation services.

Ramona MWD's current community park resources translates to 4.7 acres for every 1,000 residents and is more than one-half – or 56% - above the baseline parks to resident ratio established by the State.

7.0 FINANCES

7.1 Budget Information

Ramona MWD's average actual operating expense during the five-year report period was \$30.353 million.²⁸ This amount represents the combined actual costs within four distinct funds – Water, Fire & Emergency Medical, Wastewater, and Parks – that collectively cover day-to-day expenses for Ramona MWD. The operating actual expense at the end of the report period (2018-2019) totaled \$32.400 million with the Water Fund representing the largest single apportionment made by the Board at \$21.082 million. Overall, actual operating expenses increased by one-eighth or \$3.665 million over the corresponding 60-month period.

Ramona MWD's actual operating expenses at the end of the five-year report period was \$30.353 million and represents a 12.8% overall increase over the 60-month period. The per capita expense for similarly increased from \$816.80 to \$882.59.

²⁷ The Ramona Parks and Recreation Association would also like to look into other options, such as solar, for providing power to the community center as utility costs have increased greatly.

²⁸ Ramon MWD's average total budget during the report period was \$30.7 million and includes non-operating funds for debt, capital improvement, and capital improvement.

Ramona MWD Operating Funds: Actual Expenses Table 7.1a (Source: Ramona MWD)							
Category	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	Average	Trend
Water	\$17,884,780	\$17,122,968	\$18,169,155	\$23,480,743	\$21,082,031	\$19,547,935	17.9%
Fire & EMS	\$5,493,971	\$5,552,726	\$5,259,897	\$5,673,421	\$5,915,806	\$5,579,164	7.7%
Wastewater	\$5,181,769	\$5,539,723	\$4,543,911	\$4,831,118	\$5,272,204	\$5,073,745	1.7%
Parks	\$174,697	\$179,022	\$131,858	\$143,822	\$130,000	\$151,880	-25.6%
TOTAL	\$28,735,217	\$28,394,439	\$28,104,821	\$34,129,104	\$32,400,041	\$30,352,724	12.8%

Ramona MWD's average actual operating revenue during the five-year report period was \$27.584 million. The primary revenue source is drawn from enterprise functions (water and wastewater) ranging from user charges to ancillary fees. The actual operating revenue at the end of the report period (2018-2019) totaled \$27.789 million with the Water Fund representing the largest single source at \$16.739 million. Overall, actual operating revenues increased by nearly one-tenth or \$1.692 million over the corresponding 60-month period.

Ramona MWD's operating budget at the end of the five-year report period specific to revenues totaled \$27.584 million and represents a 6.5% overall increase over the 60-month period.

Ramona MWD Operating Funds: Actual Revenues Table 7.1b (Source: Ramona MWD)							
Category	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	Average	Trend
Water	\$16,745,133	\$16,153,273	\$17,711,296	\$18,784,483	\$16,739,262	\$17,226,689	0.0%
Fire & EMS	\$3,716,428	\$3,858,528	\$3,996,650	\$4,039,303	\$3,991,402	\$3,920,462	7.4%
Wastewater	\$5,635,705	\$6,050,625	\$6,581,808	\$6,858,271	\$7,058,729	\$6,437,028	25.3%
Total	\$26,097,266	\$26,062,426	\$28,289,754	\$29,682,057	\$27,789,393	\$27,584,179	6.5%

7.2 Financial Statements

Ramona MWD regularly contracts with an outside accounting firm to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes auditing Ramona MWD's statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Ramona MWD's short and long-term fiscal health with specific focus on delivering its activated service functions. The current outside consultant is Squar Milner LLP (San Diego).

Ramona MWD's most recent financial statements for the five-year report period were issued for 2018-2019. These statements show Ramona MWD experienced a modest improvement over the prior fiscal year as the overall net position (full accrual basis) increased by 2.8% from \$102.2 million to \$105.1 million and primarily attributed to a net total surplus. The accompanying auditor's report did not identify any material weaknesses or related accounting concerns. A detailing of year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	125,167,623
Liabilities	22,079,663
Deferred Outflow/Inflow	2,023,888
Net Position	\$105,111,848
Adjusted Net Position (Less pension liabilities)	\$116,632,487

Agency Assets

Ramona MWD's audited assets at the end of 2018-2019 totaled \$125.2 million. This amount is 7.7% higher than the average year-end amount of \$116.3 million in total assets documented during the five-year period. Assets classified as current with the expectation they could be liquidated within a year represented \$52.7 – or 42% – and largely tied to cash and investments. Assets classified as non-current and not readily liquid make up the remainder and total \$72.4 million and involve capital assets with \$50.3 million tied to property, infrastructure, and equipment. Overall, Ramona MWD's total audited assets increased by \$19.0 million or 17.9% over the corresponding 60-month period.

Ramona MWD's audited assets over the five-year report period increased by 18% and primarily tied to investments in new equipment.

Ramona MWD Audited Assets Table 7.2a Source: Ramona MWD							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	39,454,007	41,064,342	47,790,728	50,648,167	52,739,621	46,478,697	34.7%
Non-Current	66,743,121	67,915,864	69,144,967	72,380,080	72,428,002	69,726,031	8.5%
Total	106,197,128	109,980,206	116,935,695	123,028,247	125,167,623	116,261,041	17.9%

Agency Liabilities

Ramona MWD's 2018-2019 audited liabilities totaled \$22.1 million. This amount is 11% higher than the average year-end amount of \$19.9 million in total liabilities documented during the five-year period. Liabilities classified as current with the expectation they will become due within a year represented \$6.7 million – or 30% – and largely tied to scheduled

Ramona MWD's audited liabilities over the five-year report period increased by 22% and primarily tied to infrastructure debts.

deposits.²⁹ Liabilities classified as non-current and considered longer termed debts and make up the remainder of the total amount with the largest single obligation tied to San Vicente Road Pipeline Relocation Project (\$4.2 million). Overall, Ramona MWD's total audited liabilities increased by \$4.0 million or 22% over the corresponding 60-month period.

Ramona MWD Audited Liabilities Table 7.2b Source: Ramona MWD							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	3,741,340	3,469,023	4,817,489	7,677,552	6,675,889	5,276,259	78.4%
Non-Current	14,158,102	12,387,956	14,731,101	16,096,465	15,403,774	14,555,480	8.8%
Total	18,095,949	15,856,979	19,548,590	23,774,017	22,079,663	19,871,040	22.0%

Net Position

Ramona MWD's audited net position or equity at the end of 2018-2019 totaled \$105.1 million and represents the difference between the District's total assets and total liabilities along with adjusting for deferred resources (i.e. pension outflows and inflows). This most recent year-end amount is 7.7% higher than the average year-end sum of \$97.6 million during the five-year report period and shows upward trajectory. Most of the net position – \$56.5 million – is tied to capital assets. The remainder is largely comprised of unrestricted monies that can be used to finance day to day operations without outside constraints. Overall, Ramona MWD's audited net position increased by \$18.3 million or 12.4% over the corresponding 60-month period.

Ramona MWD's audited net position has increased over the five-year report period by 12% from \$86.9 million to \$105.1 million.

Ramona MWD Audited Net Position Table 7.2c Source: Ramona MWD							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Invested in Capital	60,701,469	63,386,547	64,766,485	55,823,858	56,542,526	60,244,177	-0.8%
Restricted	281,565	0	0	0	0	56,313	-80.0%
Unrestricted	25,870,374	30,367,959	35,448,116	46,420,076	48,569,322	37,335,169	44.3%
Total	86,853,408	93,754,506	100,214,601	102,243,934	105,111,848	97,635,659	12.4%

²⁹ Ramona MWD was able to pay off a Farmers Home Administration Note Payable, in early 2018, for water distribution, storage and related facilities acquisition and construction. Currently, the District has an Installment Purchase Agreement with J.P. Morgan Chase. This agreement was entered into in May 2014 to finance the San Vicente Road Pipeline Relocation Project for \$4,808,000. Payments are due through October 2029.

As referenced above, the unrestricted portion of Ramona MWD's net position as of the last audited fiscal year totaled \$48.6 million and represents the accrued spendable portion of the fund balance and only subject to discretionary designations (commitments and assignments). This amount represents 18 months of Ramona MWD's normal operating expenses and increases to 19 months when adjusted to exclude booked pension and benefit liabilities based on actual in 2017-2018.

Ramona MWD's unrestricted fund balance at the end of the report period is sufficient to cover 18 months of normal operating expenses.

7.3 Measurements | Liquidity, Capital, and Margin

LAFCO's review of the audited financial statement issuances by Ramona MWD covering the five-year report period shows the District experienced mixed trends in the standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. Positive trends are marked by Ramona MWD improving its days' cash during the report period and generating an overall average of 16.8%. Negative trends are marked by negative margin levels with the operating margin falling by (10.0)% from (10.1)% to (16.6)% over the 60-month period. A summary of these standard measurements follows and further detailed in the associated table.

Standard measurements used to assess the Ramona MWD's financial standing shows the District trended negatively in most categories during the report period and most notably in margin levels.

City of Poway Financial Measurements Table 7.3 Source: San Diego LAFCO								
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	10.0	521.9	19.0%	18.9%	10.1%	(10.1)%	118.3%	22.7
2015-2016	12.1	592.2	15.2%	14.2%	13.2%	(9.0)%	129.1%	22.0
2016-2017	9.9	639.9	16.6%	15.1%	18.1%	0.7%	158.8%	25.1
2017-2018	6.6	559.9	19.6%	16.8%	5.8%	(14.98)%	166.8%	22.4
2018-2019	7.9	609.5	18.3%	16.0%	7.4%	(16.6)%	180.9%	25.2
Average	9.3	584.7	18.0%	16.0%	10.8%	(10.0)%	150.8%	23.5
Change	(21.1%)	16.8%	(3.5)%	(15.0)%	(26.4)%	64.1%	52.9%	10.7%
Trend	Negative	Positive	Negative	Positive	Negative	Negative	Positive	Negative

Current Ratio (Liquidity)

Compares available assets against near-term obligations; means for every dollar in liability the agency has one dollar available to pay.

Days' Cash (Liquidity)

Measures the number of days the agency can fund normal operations without any new cash income.

Debt Ratio (Capital)

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

Debt to Net Position (Capital)

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

Total Margin (Margin)

Measures the bottom line of the agency with respect to comparing all revenues to all expenses.

Operating Margin (Margin)

Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans.

Equipment Replacement Ratio (Structure)

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

7.4 Pension Obligations

Ramona MWD provides a defined benefit plan to its employees through an investment risk-pool contract with the California Public Employees Retirement System (CalPERS). This pension contract provides employees with specified retirement benefits based on the date of hire and placement in one of three category types: “public safety,” “classic,” and “non-classic.” Additional pension details based on actuarial valuations issued by CalPERS during the five-year report period with respect to formulas, enrollees, contributions, and funded status follows.

Pension Formulas and Enrollees

The last annual valuation issued during the five-year report period followed 2018-2019 and identified 222 total participants within Ramona MWD’s pension program with CalPERS. This total represents an overall increase of four enrollees during the 48-month period in which information is readily available dating back to 2015-2016. The total is also divided between enrollee type (i.e. active, separated, transferred, and retired) and produces a negative employee-to-retiree ratio of 0.68 to 1.0. A summary of benefits for all three category types follows.

Ramona MWD finished the report period with 222 enrollees within its pension program with CalPERS. More than two-thirds of all enrollees receive a defined benefit formula of 3.0% at 60.

- Classic miscellaneous employees have start dates before January 1, 2013 and represent the largest portion of Ramona MWD’s retirement program at 71.6% – or 159 – of total enrollees. These employees receive a defined benefit based on a 3.0% at 60 formula.
- Non-classic miscellaneous employees have start dates after January 1, 2013 and represent the smallest portion of Ramona MWD’s retirement program at 0.7% - or 16 – of total enrollees. These employees receive a defined benefit based on a 2.0% at 62 formula.
- Public safety employees account for the remaining 21.2% – or 47 – of the total enrollees and receive a 2.0% at 50 pension formula. This formula is a remnant of Ramona MWD previously providing direct fire protection services through its own employees.

Ramona MWD Pension Enrollee Information Table 7.4a Source: CalPERS and SD LAFCO						
Type	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Active	n/a	101	96	93	90	(10.9%)
Non-Active	n/a	117	123	129	132	12.8%
Total Enrollees	n/a	218	219	222	222	1.8%
Active to Non-Active Ratio	n/a	0.86 to 1.0	0.78 to 1.0	0.72 to 1.0	0.68 to 1.0	(20.9%)

Annual Contributions

Ramona MWD's total annual pension contribution in the most recent valuation issued at the end of the five-year report period in 2018-2019 tallied \$1.2 million. This contribution equals 29.9% of the corresponding payroll total and reflects a decrease of (13.1%) during the corresponding 48-month period and attributed to changing discount rates.

Ramona MWD's pension contribution as of the last annual valuation equaled 30% of payroll.

Ramona MWD Annual Pension Contributions Table 7.4b Source: Ramona MWD and SD LAFCO						
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Total Contribution	n/a	\$1,255,719	\$937,629	\$1,014,043	\$1,187,209	(5.5%)
Percent of Payroll	n/a	34.4%	25.7%	26.5%	29.9%	(13.1%)

Funding Status

Ramona MWD's total and composite unfunded liability in the most recent valuation issued during the five-year report period totaled \$12.6 million (2018-2019). This amount reflects the accrued pension monies owned to all employees and not covered by assets and translates to a composite funded ratio of 80.5% based on market value. Overall, Ramona MWD's funded ratio has decreased by (0.9%) during the 48-month period in which information is readily available and generated by a net increase of \$2.3 million in additional unfunded liability.

Ramona MWD's combined funded ratio as of the last annual valuation is 80.5%. This ratio has slightly decreased overall by (0.9%) during the corresponding 48-month period.

Ramona MWD Pension Funding Status Table 7.4c Source: CalPERS						
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Pension Assets (MVA)	n/a	\$44,841,453	\$47,791,340	\$50,240,648	\$51,866,418	15.7%
Pension Liabilities (AL)	n/a	\$55,186,431	\$57,702,607	\$62,134,525	\$64,433,489	16.7%
Unfunded Liability	n/a	\$10,344,978	\$9,911,267	\$11,893,877	\$12,567,071	21.5%
Funded Ratio	n/a	81.3%	82.8%	80.9%	80.5%	(0.9%)

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

7b

AGENDA REPORT Business | Action

August 2, 2021

TO: Commissioners

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

SUBJECT: Proposed Policy on Translation Protocols and Accommodations

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a proposed policy on translation protocols and accommodations for communicating service information to non-English speaking residents to mitigate against language barriers. The proposed policy has been prepared consistent with the adopted workplan and marked by establishing standards to translate key service information into non-English based on current household language demographics. This includes translating notices and other written materials that are otherwise distributed only in English into other languages that are spoken within 20 percent or more of affected households. Interpreter services are also addressed. Staff recommends approval of the proposed policy with any desired revisions with an immediate effective date.

BACKGROUND

Current Workplan & Direction to Establish Translation Protocols

San Diego LAFCO's current workplan was adopted at a noticed public hearing in May 2021 and includes 30 specific projects for the fiscal year. All projects are further categorized by the Commission as high, moderate, or low priorities. One of the high priority projects

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involves establishing translation protocols to proactively communicate key service information underlying LAFCO's regulatory and planning activities with non-English households based on clear and measurable criteria.

Applicable State Standards

The Dymally-Alatorre Bilingual Services Act governs non-election communications in non-English languages by State and local agencies in California with the latter – notably – defined to include LAFCOs as political subdivisions.¹ The legislation is largely discretionary as described and orients local agencies to translate materials addressing or otherwise explaining services to the public into any non-English language spoken by a “substantial” number of persons served by the subject agencies. The legislation relatedly orients local agencies to employ qualified bilingual persons to communicate and/or serve as interpreters should they have a substantial number of non-English speaking resident groups. Nonetheless, local agencies retain discretion under the legislation to determine when substantial other language communities exist within their jurisdictions. Local agencies are also only tasked with implementation to the extent they have available funding.²

DISCUSSION

This item is for San Diego LAFCO to consider a proposed policy on translation protocols and accommodations in communicating the Commission's regulatory and planning service activities. The proposed policy responds to direction in the adopted workplan and commits the Commission to budget an appropriate level of funding to protectively translate key service materials for non-English households under prescribed thresholds as well as readily address interpreter requests. The proposed policy is provided as Attachment One and includes the following three central provisions:

- LAFCO will translate all written public hearing notices and displays required under statute and/or local policy into one or more non-English languages if spoken by 20 percent or more within the affected and/or targeted households based on published census information.
- LAFCO will translate all municipal service reviews' executive summaries into one or more other languages if spoken by 20 percent or more within the affected communities based on census information.
- LAFCO will offer interpreter services for Commission meetings, Commission Committee meetings, and other Commission community engagement events. This service is premised on the requesting public providing advance notice and availability.

¹ Reference to California Government Code 7290-7299.8.

² The legislation specifies 5 percent as the threshold for State agencies in determining when a substantial number of persons are non-native speakers and translation services within an established service area are required.

ANALYSIS

The proposed policy on translation protocols and accommodations before San Diego LAFCO appropriately responds to current demographics paired with the Commission's standing task in statute to consider current and future community needs in fulfilling its regulatory and planning activities. (It also – and as learned in preparing the item – addresses the Commission's responsibilities under the Dymally-Alatorre Bilingual Services Act.) This includes responding to current census information showing 37% of all households in San Diego County speak a language other than English at home.³ The primary non-English language spoken at home is Spanish at 24% and accordingly would be the primary translation required under the proposed policy and apply to all notices and other written materials in which the affected area is countywide. Further, the current proportional share of Spanish-speaking households serves as the basis by staff in setting the translation standard at 20 percent to ensure all related materials with a countywide audience will be provided in Spanish.⁴ Translations into other languages would only apply given current demographics in smaller census measurements – blocks, groups, tracts, and places – as applicable. The policies addressing online content and interpreter services formalize existing practices.

A preliminary review of anticipated costs suggests an initial implementation of the proposed policy will range between \$10,000 and \$15,000 with most of the expenses tied to utilizing a qualified third-party vendor to translate executive summaries. This anticipated cost can be readily accommodated without budget amendments. Separately, and with respect to telegraphing a potential extension of this policy and its implementation, staff believes it would be appropriate to consider the merits of establishing bi-lingual pay enhancements (wage, allowance, per diem, etc.) for LAFCO employees to provide translation services consistent with the underlying provisions as part of a future workplan item.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed policy on translation protocols for reasons detailed in the preceding section. This recommendation would be accommodated by taking the actions outlined in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Approve the proposed administrative policy on translation protocols as provided as Attachment One with any desired changes.

³ Reference to American Community Survey, 2019: 1-Year Estimates.

⁴ Notable examples include notices on annual workplans and budgets as well as countywide municipal service reviews

Alternative Two:

Continue consideration of the item to a future meeting and provide direction to staff for more information and/or outreach as needed.

Alternative Three:

Take no action.

PROCEDURES

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

- 1) Receive verbal report from staff unless waived.
- 2) Commission discussion.
- 3) Consider the staff recommendation.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) A-107 Policy

ADMINISTRATIVE POLICY A-107

Subject

TRANSLATION PROTOCOLS AND ACCOMMODATIONS

Purpose

This policy establishes baseline protocols and accommodations for communicating the Commission's regulatory and planning activities into other languages to enhance community feedback that otherwise is underrepresented due to language barriers. The policy relatedly addresses the translation of online content and interpreter services.

Background

State law directs San Diego LAFCO to consider current and future community needs in meeting its overarching task by the Legislature to facilitate orderly growth and development. This includes considering comments from the residents and general public anytime LAFCO acts on proposed city or special district jurisdictional changes. Relatedly, LAFCO recognizes substantial numbers of persons who live, work and pay taxes in San Diego County are unable – either because they do not speak or write English at all, or because their primary language is other than English – to effectively communicate without reasonable accommodations.

Policy

It is the policy of San Diego LAFCO:

1. The Commission recognizes and values the plurality of different cultures in San Diego County and is committed to proactively address and mitigate against language barriers in providing and receiving community feedback.
2. The Commission shall ensure a reasonable level of funding is available to support translation protocols in policy as part of the annual operating budget.
3. LAFCO will translate all written public hearing notices and displays required under statute and/or local policy into one or more other languages if spoken by 20 percent or more within the affected and/or targeted households based on census information.
4. LAFCO will translate all municipal service reviews' executive summaries into one or more other languages if spoken by 20 percent or more within the affected communities based on census information.
5. The Executive Officer will determine the appropriate census measurement (i.e., blocks, groups, tracts, places, or county) in determining the percentage of non-English speaking households in administering this policy.

6. LAFCO will ensure a translation feature is readily available on the agency website. Language options should include no less than the 10 most common other languages spoken in San Diego County as of the most recent census release.
7. LAFCO will make reasonable accommodations to provide interpreter services for Commission meetings, Commission Committee meetings, and other Commission community engagement events.
8. The Commission encourages the Executive Officer to exceed baseline standards established in this policy in mitigating against language barriers in implementing LAFCO's regulatory and planning activities as appropriate and within budgetary means.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

7c

AGENDA REPORT Business | Action

August 2, 2021

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: Approval to Reinstate Cost-of-Living Wage Adjustments in 2021-2022

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider reinstating a previously planned 2.0% wage cost-of-living adjustment for non-management employees in 2021-2022. The otherwise planned wage adjustment was suspended by the Commission in April 2021 at the recommendation of the Executive Officer to curb new costs in 2021-2022 given economic uncertainties associated with COVID. The parallel action to implement a voluntary employee separation incentive program has subsequently proven successful in generating cost-savings and positions the Commission to reinstate the full cost-of-living adjustment retroactive to July 1st without budget impact. The Executive Officer recommends approval.

BACKGROUND

Compensation Policies

San Diego LAFCO's employee compensation policies are detailed in Rule No. 6 and premised on providing wages and benefits consistent with comparable positions in the County of San Diego. The Commission drew on this premise in June 2017 in approving a series of compensation enhancements over a five-year period beginning with 2017-2018 and ending in 2021-2022. The enhancements match approvals by the Board of Supervisors and marked by annual cost-of-living adjustments for all employees' salary ranges between 2.0% and 3.0% as

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General Public

well as concurrent wage adjustments for all non-management employees. The final planned cost-of-living adjustment set for 2021-2022 was 2.0%.¹

Suspension of Cost-of-Living Adjustment in 2021-2022

San Diego LAFCO suspended the planned 2.0% cost-of-living adjustment for all non-management employees in April 2021 at the recommendation of the Executive Officer to curb new costs going into 2021-2022 given economic uncertainties due to COVID. Other planned compensation adjustments – specifically the increase to all salary ranges and lump payments – remained. The Commission also agreed to reinstate the cost-of-living adjustment in 2022-2023 if not sooner should economic conditions warrant.

DISCUSSION

This item is for San Diego LAFCO to consider reinstating its previously scheduled 2.0% cost-of-living adjustment for all non-management employees' wages retroactive to July 1, 2021. The total financial toll of the reinstatement is \$15,604 and covers the wage increases along with ancillary employee benefits ranging from payroll taxes to pension contributions.

ANALYSIS

The reinstatement of the 2.0% cost-of-living adjustment for all non-management employees at San Diego LAFCO can be readily accommodated without increasing budgeted labor costs. This accommodation ties to recent savings associated with the Commission implementing a voluntary employee separation incentive program, which will generate an annual savings of \$39,743 based on replacing the two affected staff at their position's mid-range salary point.

RECOMMENDATION

It is recommended San Diego LAFCO reinstate the 2.0% cost-of-living adjustment for non-management employees' wages in 2021-2022 retroactive to July 1st by proceeding with Alternative One as detailed in the subsequent section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Reinstate the previously suspended 2.0% cost-of-living adjustment for non-management employees' wages for 2021-2022 retroactive to July 1, 2021.

¹ Annual lump sum payments to all employees – management and non-management were also approved.

Alternative Two:

Continue consideration of the item to a future meeting and provide direction to staff for more information as needed.

Alternate Three:

Take no action.

PROCEDURES

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

- 1) Receive verbal report from staff unless waived.
- 2) Commission discussion.
- 3) Consider the staff recommendation.

Respectfully,



Keene Simonds
Executive Officer

Attachment: none

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