



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

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA
Monday, October 2, 2023

Doors Open: 8:00 A.M.

Meeting Starts: 8:15 A.M.

In-Person Participation

County Administration Center
 1600 Pacific Highway, Room 302
 San Diego, California

Video-Teleconference Participation

<https://www.zoom.us/join>
 Meeting ID 895 6767 7168
 Passcode 508649
 (669) 900-9128

Video Viewing Only

YouTube Channel
 @sandiegolafco9909

San Diego LAFCO		
Commissioner	Appointing Authority	Affiliation
Chair Jim Desmond	Board of Supervisors	County of San Diego
Vice Chair Stephen Whitburn	Mayor of the City of San Diego	City of San Diego
Joel Anderson	Board of Supervisors	County of San Diego
Kristi Becker	Cities Selection Committee	City of Solana Beach
Jo MacKenzie	Independent Special Districts	Vista ID
Andy Vanderlaan	Commission	General Public
Dane White	Cities Selection Committee	City of Escondido
Barry Willis	Independent Special Districts	Alpine FPD
Alternate David A. Drake	Independent Special Districts	Rincon del Diablo MWD
Alternate Harry Mathis	Commission	General Public
Alternative Nora Vargas	Board of Supervisors	County of San Diego
Alternate Marni von Wilpert	Mayor of the City of San Diego	City of San Diego
Alternate John McCann	Mayor of the City of Chula Vista	City of Chula Vista

Participation Instructions:

In person attendance by the public is welcomed. LAFCO meets in Room 302 in the County Administration Center (1600 Pacific Highway). Three-hour visitor parking is available using the Ash Street entrance. To provide comments on any item, please turn in a speakers slip to LAFCO staff before the item commences.

Remote participation by video or telephone is welcomed through Zoom by following these instructions.

Comments by Video	Comments by Telephone
1. Click or type the link found at the top of the agenda	1. Dial + 1-669-900-9128
2. Type the Meeting ID identified on the top of this agenda followed by the Passcode	2. Dial the Meeting ID identified at the top of the agenda followed by the Passcode
3. Click the raise hand icon	3. Dial *9 to raise your hand
4. LAFCO will announce your name as it appears when it is your turn to speak	4. LAFCO will call out the last 4 digits of your phone number when it is your turn to speak
5. Click the speaker icon to unmute to speak	5. Dial *6 to unmute yourself

Remote participation by e-mail is also welcomed by sending comments to Executive Assistant Erica Sellen at erica.sellen@sdcounty.ca.gov. All e-mails received before 4:00 P.M. one business day before the meeting will be forwarded to the Commission and posted online. These comments will also be referenced at the meeting. All e-mails received during the meeting and before the item concludes will be read into the record subject to standard time limitations and subsequently posted online.

All comments are limited to three minutes for individuals and five minutes for organizations.

The Chair may amend time allowances for public speakers at their discretion.

Public Accommodations:

Assistance for the disabled is available by contacting LAFCO staff. To the extent possible, accommodation requests should be submitted at least 72 hours in advance of the meeting.

Spanish language translation services are available at LAFCO meetings. Translation services covering other languages may be made available upon request at least 72 hours prior to the meeting.

Contact Information:

Erica Sellen
Executive Assistant / Acting Commission Clerk
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T: 619-321-3380
F: 619-404-6508
E: erica.sellen@sdcounty.ca.gov

1. 8:15 A.M. – CALL TO ORDER BY CHAIR

a) Roll Call of Commissioners Present

b) Pledge of Allegiance

2. STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE.

3. AGENDA REVIEW

The Executive Officer will summarize the agenda as well as to advise of any requested changes. The Chair will also consider requests from Commissioners.

4. PUBLIC COMMENT AND RELATED REQUESTS

Opportunity for members of the public to speak to the Commission on any subject matter within the Commission's growth management duties/interests but not an item listed on the agenda. Three-minute limit. This is also an opportunity for the public to request the Commission pull an item listed on the consent calendar for discussion.

5. CONSENT ITEMS

All items calendared as consent are considered ministerial and subject to a single motion approval. The Chair will entertain requests by Commissioners to pull any items for discussion.

a) Approval of Meeting Minutes for August 7, 2023 (action)

The Commission will consider action minutes prepared by the Executive Assistant for the August 7, 2023 meeting. Recommendation to approve as presented. (Pages 7-18)

b) Commission Ratification | Recorded Payments for July and August 2023 (action)

The Commission will review a report identifying all payments made and received for July and August 2023. Recommendation to ratify payments as presented. (Pages 19-26)

c) Proposed "Escondido North LLC-Stanley Avenue Reorganization" (Conway) | Annexation to the City of Escondido with Concurrent Detachment from County Service Area No. 135 and Related Actions (RO23-07-A) (action)

The Commission will consider a reorganization proposal initiated by landowner petition with the principal action to annex one legal parcel involving 2.01 unincorporated acres – developed with an existing single-family residence and accessory dwelling unit along Stanley Avenue – to the City of Escondido. A concurrent detachment from County Service Area No. 135 and its regional communication service function is also part of the reorganization. The affected territory is part of a 14.1 acre planned development site tentatively approved by the City for a 56-unit subdivision ("Conway Subdivision"). The purpose of the proposal accordingly is to accommodate the planned development by placing the entire site within the City. The affected parcel is identified by the County Assessor's Office as 224-141-24. (Pages 27-90)

CONSENT ITEMS CONTINUED...

d) Results of Protest Hearings |

Proposed “Fallbrook PUD & Rainbow MWD Wholesaler Reorganizations” – Annexations to Eastern Municipal Water District (RO20-05 and RO20- 04) (action)

The Commission will receive the results of protest hearings held for two coordinated reorganization proposals filed by Fallbrook Public Utility District and Rainbow Municipal Water District. The proposals were conditionally approved by the Commission in July 2023 and involve the transfer of wholesale water service responsibilities within the applicants’ jurisdictional boundaries from the San Diego County Water Authority to Eastern Municipal Water District. The noticed protest hearings were held on August 18, 2023 and marked the culmination of a 21-day period in which landowners and/or registered voters could file written objections to the annexations. No written protests were received for either proposal. The protest results are being presented to the Commission to formally file. (Pages 91-96)

e) Progress Report on the Adopted Workplan (action)

The Commission will receive a progress report on accomplishing the 30 projects included in the adopted workplan for 2023-2024. The report is being presented to the Commission to receive and file with the opportunity to identify potential amendments for future consideration. (Pages 97-102)

f) Approval of Independent Audit Expense for FY2022-2023 (action)

The Commission will consider approval of an independent audit expense in the amount of \$9,950 with O’Conner and Company covering 2022-2023. Staff recommends the Commission approve the expense with any related direction in proceeding with the audit. (Pages 103-112)

g) Report on Active Proposals and Related Activities (information)

The Commission will receive a status report on active proposals currently on file with LAFCO. Information only. (Pages 113-124)

6. PUBLIC HEARING ITEMS |

COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS

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. All public hearing items require verbal disclosures by Commissions regarding any material communications.

a) CONTINUED |

Proposed “Camino de la Fuente-Wick Change of Organization” | Annexation to San Diego County Sanitation District and Conforming Sphere Change (CO22-20) (action)

The Commission will consider a change of organization initiated by a landowner to annex approximately 35.32 acres of unincorporated territory to the San Diego County Sanitation District. The affected territory as submitted comprises two legal parcels presently undeveloped with surface improvements tied to an existing use as a waiting lot for commercial trucks passing through a nearby land port of entry. The proposal purpose is to extend public wastewater service to facilitate the future placement and connection of a toilet trailer. Staff recommends conditional approval of the proposal as submitted with a conforming sphere amendment. Staff also recommends waiver of protest proceedings and exemption findings under the California Environmental Quality Act. The affected parcels are identified by the County Assessor’s Office as 648-040-42 and 648-040-40. (Pages 125-180)

7. BUSINESS CALENDAR

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

a) Update to Draft Policy on Out-of-Agency Services (discussion)

The Commission will review an update to a draft policy governing outside service approvals for cities and special districts. The item is part of LAFCO’s adopted workplan and responds to growing attention – and in some instances controversies – involving out-of-agency services due in part to increased communications with local agencies through the municipal service review program. The update incorporates earlier feedback from the Commission following, and subsequent to, reviewing an initial draft at its November 2022 meeting. The aim of the update is to formalize and expand existing practices in administering out-of-agency services activities and in doing so provide clear direction to local agencies to help ensure statutory compliance relative to Commission standards. (Pages 181-188)

b) Informational Report |

Property Tax Allocations and Exchanges in San Diego County (information)

The Commission will receive an informational report in the form of a brochure on property tax allocations and exchanges in San Diego County. The item has been prepared as an administrative holdover from the prior fiscal year workplan with a focus on the decision-making process with respect to whether property taxes will be reapportioned among local agencies in conjunction with LAFCO approving jurisdictional changes. The item is being presented for information with the opportunity for the Commission to provide feedback before staff finalizes the brochure for formal publication and distribution. (Pages 189-196)

c) Amendment to Employment Agreement for Executive Officer Keene Simonds (action)

The Commission will consider a recommendation by the Executive Officer Compensation Committee (Desmond, Whitburn, and Vanderlaan) to approve a fifth amendment to the employment agreement with Executive Officer Keene Simonds. This item may be taken up following closed session on the Executive Officer’s performance review. (Pages 197-212)

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER ANNOUNCEMENTS & REQUESTS FOR FUTURE ITEMS

10. CLOSED SESSION

a) Conference with Legal Counsel; Existing Litigation

Government Code Section 54956.9(d)(1)

The Commission finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the Commission in the litigation

San Diego County Water Authority v. San Diego County Local Agency Formation Commission et al. (San Diego County Superior Court Case No. 37-2023-000036018-CU-TT-CTL)

b) Public Employee Performance Evaluation

California Government Code Section 54957(b)

Employee: Keene Simonds

CLOSED SESSION ITEMS CONTINUED...

c) Conference with Labor Negotiators

California Government Code section 54957.6

Agency designated representatives: EO Compensation Committee (Chair Desmond; Vice-Chair Whitburn; Commissioner Vanderlaan)

Unrepresented Employee: Executive Officer

11. ADJOURNMENT

Attest to Posting:



Erica Sellen

Executive Assistant

Acting Commission Clerk



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

5a

AGENDA REPORT
 Consent | Action

October 2, 2023

TO: Commissioners
FROM: Erica Sellen, Executive Assistant
SUBJECT: **Approval of Meeting Minutes |
 Regular Meeting of August 7, 2023**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on August 7, 2023. The minutes are in action-form and being presented for formal Commission approval.

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 August 7, 2023, regular meeting. The attendance record for the meeting follows.

- All regular Commissioners were present except Dane White (City of Escondido).
- All alternate Commissioners were present except Nora Vargas (County of San Diego) and Marni von Wilpert (City of San Diego).

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov	Chair Jim Desmond County of San Diego Joel Anderson County of San Diego Nora Vargas, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann Alt. City of Chula Vista	Vice Chair Stephen Whitburn 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	Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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ANALYSIS

The attached draft minutes for the August 7, 2023, regular meeting accurately reflect San Diego LAFCO's deliberations as recorded by the Acting 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 August 7, 2023, regular meeting as presented. This recommendation is consistent with Alternative One outlined in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Approve the attached draft minutes prepared for the August 7, 2023, regular meeting with any requested 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,



Erica Sellen
Executive Assistant

Attachment:

- 1) Draft Meeting Minutes for August 7, 2023

**DRAFT MINUTES
SAN DIEGO LAFCO
August 7, 2023 REGULAR MEETING**

1. 8:15 A.M. – CALL TO ORDER BY CHAIR

**Item 1a
ROLL CALL**

The regular meeting was called to order at 8:16 a.m. by Chair Desmond. The Acting Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present: Joel Anderson, County of San Diego
 Kristi Becker, City of Solana Beach
 Jim Desmond, County of San Diego (CHAIR)
 Jo MacKenzie, Vista Irrigation District
 Andy Vanderlaan, Public
 Stephen Whitburn, City of San Diego (VICE CHAIR)
 Barry Willis, Alpine Fire Protection

Alternates Present: David Drake, Rincon del Diablo Municipal Water District
 Harry Mathis, Public
 John McCann, City of Chula Vista (voting)

Members Absent: Nora Vargas, County of San Diego (alternate)
 Marni von Wilpert, City of San Diego (alternate)
 Dane White, City of Escondido (regular)

The Acting Commission Clerk confirmed a quorum with eight voting members present. Also present were the following LAFCO staff members: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Assistant Executive Officer Priscilla Mumpower; Local Government Analyst II Carolanne Ieromnimon; Local Government Analyst I Michaela Peters; GIS/IT Analyst Dieu Ngu; and Executive Assistant Erica Sellen serving as the Acting Commission Clerk.

Commissioner McCann arrived at 8:31 a.m.

Commissioner Anderson arrived at 8:35 a.m.

**Item 1b
PLEDGE OF ALLEGIANCE**

Commissioner Becker led the Pledge of Allegiance.

2. STATEMENT (JUST CAUSE) AND/OR CONSIDERATION OF A REQUEST TO PARTICIPATE REMOTELY (EMERGENCY CIRCUMSTANCES) BY A COMMISSIONER, IF APPLICABLE

Commissioner Vanderlaan participated remotely and attested to his just cause statement.

3. AGENDA REVIEW

Chair Desmond asked the Executive Officer if there were any requests to remove or rearrange items on the agenda. Executive Officer Keene Simonds stated Item 7a will be continued to the next regular meeting on October 2, 2023 with the concurrence of the applicant. He also stated that a supplemental document – an updated MOU – for Item 6g was circulated on the dais and should be referenced in the motion for the Consent Calendar.

4. PUBLIC COMMENT AND RELATED ITEMS

Chair Desmond invited anyone from the public to address the Commission on a matter not directly related to an agenda item. The Acting Commission Clerk confirmed there were no registered speakers or live e-mail comments.

5. SCHEDULED PRESENTATIONS

Item 5a

Association to Incorporate La Jolla

Item presented to receive a presentation from representatives with the Association to Incorporate La Jolla to discuss their interests and related activities to date in exploring a future special reorganization filing with San Diego LAFCO. Information only.

LAFCO Consultant Chris Cate provided introductory comments and introduced the guest speakers, Trace Wilson and Janie Emerson. Guests proceeded to provide an overview of the topic and key activities undertaken to date.

Commission discussion followed.

Chair Desmond thanked the guests for their attendance.

6. CONSENT ITEMS

Item 6a

Approval of Meeting Minutes for June 5, 2023

Item presented to approve draft action minutes prepared for the Commission's June 5, 2023 special meeting. Recommendation to approve.

Item 6b

Approval of Meeting Minutes for June 14, 2023

Item presented to approve draft action minutes prepared for the Commission's June 14, 2023 special meeting. Recommendation to approve.

CONSENT ITEMS CONTINUED...

Item 6c

Approval of Meeting Minutes for July 10, 2023

Item presented to approve draft action minutes prepared for the Commission's July 10, 2023 special meeting. Recommendation to approve.

Item 6d

Commission Ratification | Recorded Payments for May and June 2023

Item presented to ratify recorded payments made and received by the Executive Officer for the months of May and June 2023. Recommendation to ratify.

Item 6e

Budget Report on 2022-2023 |

4th Quarter Actuals and Proposed Close-of-Year Budget Amendments

Item presented to review a report comparing budgeted and actual transactions through the fourth quarter of 2022-2023. Amendments are also proposed as part of the administrative close of the fiscal year. Recommendation to accept and file.

Item 6f

Approval of Fund Balance Designations and Related Amendments to Fiscal Policy 101

Item presented to perform the Commission's annual task under policy to review and make fund balance designations involving a total cash balance as of July 1, 2023 of \$1,637,356. Recommendation to approve.

Item 6g

Proposed Memorandum of Understanding with County of San Diego |

Setting Roles + Responsibilities for New Planning Grant: SALC 2.0

Item presented to consider approving a memorandum of understanding with the County of San Diego's Planning and Development Services in partnering and implementing the recently awarded two-year planning grant – in the amount of \$500,000 – from the Department of Conservation. The grant ties to the Sustainable Agricultural Lands Conservation Program ("SALC") and involves performing market and gap analysis in support of small farming in San Diego County. Recommendation to approve.

Item 6h

Proposed Temporary Appointment to a Higher Class |

Temporary Assignment of Erica Sellen as Commission Clerk

Item presented to consider the temporary appointment of Executive Assistant Erica Sellen as Commission Clerk retroactive to June 28, 2023. The proposed appointment provides a 10% compensation increase under adopted policy and recognizes several duties already undertaken by Ms. Sellen as a result of a leave of absence involving the incumbent. Recommendation to approve.

CONSENT ITEMS CONTINUED...

Item 6i

CALAFCO Annual Conference Items

Item presented to consider action items relating to the upcoming California Association of LAFCOs' (CALAFCO) Annual Conference scheduled for October 18th–20th in Monterey. This includes authorizing the Chair to nominate Commissioner Jo MacKenzie to serve a new two-year term on the CALAFCO Board as special district representative for the southern region. Recommendation to approve.

Item 6j

Report on Active Proposals and Related Activities

Item presented to receive a status report on active proposals currently on file with LAFCO. Information only.

Item 6k

Dissolution of the Advisory Committee Involving the Reorganization Proposals Filed by Fallbrook Public Utility District and Rainbow Municipal Water District

Item presented to consider approving formal dissolution of the Advisory Committee formed for the Fallbrook PUD and Rainbow MWD reorganization proposals. This item also requests Commission authorization for the Chair to issue commendations to all member in recognition of their service over the three-year period. Recommendation to approve.

**

Commissioner Anderson motioned with a second from Commissioner McCann to approve the consent calendar items with staff recommendations (Alternative One) as presented including the supplemental document – an updated MOU – for Item 6g.

Commissioner MacKenzie abstained for Item 6c.

Roll call requested:

AYES: Anderson, Becker, Desmond, MacKenzie, McCann (voting), Vanderlaan, Whitburn, and Willis
NOES: None
ABSENT: Vargas, von Wilpert, and White
ABSTAINING: None

The Acting Commission Clerk confirmed the motion was approved 8-0 with Commissioner Mackenzie's abstention from Item 6c (7-0-1).

7. PUBLIC HEARING ITEMS | COMMISSIONER DISCLOSURE OF EX PARTE COMMUNICATIONS

Item 7a

Proposed “Camino de la Fuente-Wick Change of Organization” | Annexation to San Diego County Sanitation District and Conforming Sphere of Influence Action (CO22-20)

Item continued at the request of the Executive Officer to the next regular meeting.

Item 7b

Progress Report on the Annual Workplan Activities and Proposed Amendments to Advance Scheduled Municipal Service Reviews

Item presented to receive a progress report on the commencement of the adopted workplan and the 30 special projects for 2023-2024 as well as consider specific amendments. Three projects have advanced during the first month of the fiscal year and are now nearing their completion. This grouping is marked by developing supporting contractual agreements involving LAFCO’s new planning grant to perform market and gap analysis in support of small farming operations. Proposed amendments involve internal adjustments and advance municipal service reviews involving the San Diego County Water Authority and healthcare districts as the highest workplan priorities in 2023-2024. It is recommended the Commission formally receive the progress report consistent with practice as well as approve the proposed amendments.

Chair Desmond invited any disclosures from Commissioners on material ex parte communications. No disclosures reported.

Assistant Executive Officer Priscilla Mumpower provided the staff presentation.

Chair Desmond proceeded to open the public hearing and invited comments from the following registered speakers with stated positions to the staff recommendation noted in parenthesis:

- Oceanside Mayor Esther Sanchez (support)
- Palomar HCD/Foundation President Kristin Gaspar (support)

The Acting Commission Clerk confirmed there were no other registered speakers or live e-mail comments.

Chair Desmond proceeded to close the public hearing.

**

Commissioner Willis motioned with second from Commissioner MacKenzie to approve the staff recommendation (Alternative One) as listed in the agenda report.

PUBLIC HEARING ITEMS CONTINUED...

Item 7b Continued

Roll call requested:

AYES: Anderson, Becker, Desmond, MacKenzie, McCann (voting), Vanderlaan, Whitburn, and Willis
NOES: None
ABSENT: Vargas, von Wilpert, and White
ABSTAINING: None

The Acting Commission Clerk confirmed the motion was approved 8-0.

8. BUSINESS ITEMS

Item 8a

Final Report on Ag Trends and Related Policy Opportunities | Sustainable Agricultural Lands Conservation Grant Update

Item presented to receive a final report tied to its two-year planning grant from the State of California and its Sustainable Agricultural Lands Conservation (SALC) program. The final report marks the completion of the Commission and its partner Resource Conservation District (RCD) of Greater San Diego County's evaluation of agricultural trends in San Diego County and related preservation and enhancement considerations going forward, and as detailed cited as "SALC 1.0". The report includes several recommendations for formal consideration by the Commission.

Assistant Executive Officer Priscilla Mumpower provided opening comments followed by a formal presentation from Ann Baldrige, Executive Director, Resource Conservation District of Greater San Diego County.

Commission discussion followed.

Commissioner Willis motioned with second from Commissioner McCann to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES: Anderson, Becker, Desmond, MacKenzie, McCann (voting), Vanderlaan, Whitburn, and Willis
NOES: None
ABSENT: Vargas, von Wilpert, and White
ABSTAINING: None

The Acting Commission Clerk confirmed the motion was approved 8-0.

BUSINESS ITEMS CONTINUED...

Item 8b

Resource Conservation Districts Ad Hoc Committee | Report on Year One Tasks and proposed Year Two Tasks and Related Actions

Item presented to receive a report on the first-year activities of the Resource Conservation Districts Ad Hoc Committee in addressing assigned tasks generated as part of a recent municipal service review. The first year concluded successfully with the Ad Hoc developing a master memorandum of understanding subsequently signed by all three RCDs to coordinate their service programs going forward as well as establish protocols to guide interagency projects whenever applicable. Staff recommends the Commission receive the report on the first year as well as authorize a scope of work for a second year to develop contemporary RCD service function and class designations as well facilitate coordinated boundary changes among all three local RCDs. It is also recommended the Commission revise the composition of the Ad Hoc from nine to six members through the reduction of the three at-large members.

Local Government Analyst I Michaela Peters provided opening comments with LAFCO Consultant Adam Wilson providing the staff presentation.

Chair Desmond invited comments from the following registered speakers with stated positions to the staff recommendation noted in parenthesis:

- Mission RCD General Manager Darcy Cooke (support)
- RCD of Greater San Diego County General Manager Ann Baldrige (support)

The Acting Commission Clerk confirmed there were no other registered speakers or live e-mail comments.

Commission discussion followed.

Commissioner Willis motioned with second from Commissioner McCann to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES: Anderson, Becker, Desmond, MacKenzie, McCann (voting), Vanderlaan, Whitburn, and Willis
NOES: None
ABSENT: Vargas, von Wilpert, and White
ABSTAINING: None

The Acting Commission Clerk confirmed the motion was approved 8-0.

BUSINESS ITEMS CONTINUED...

Item 8c

Comprehensive Personnel Policy Update | Proposed Scope of Work

Item presented to receive a proposed scope of work involving a scheduled comprehensive personnel policy update. The scope of work has been developed by the Commission's contract human resources consultant – Regional Government Services Authority or "RGS" – and reflects their assessment of LAFCO needs with input from the Executive Officer and Assistant Executive Officer. The scope of work is being presented for discussion and input before RGS' proceeds with the drafting the update for future presentation.

Assistant Executive Officer Priscilla Mumpower provided the staff presentation.

Commission discussion followed.

Item 8d

Outside Audit Report on Fiscal Year 2021-2022

Item presented receive an outside audit for the financial statements issued for 2021-2022. The outside audit concludes all tested transactions were accompanied by sufficient documentation and no material weaknesses were identified. The outside audit and accompanying management letter are being presented to the Commission to accept and file as well as to provide direction to staff on related matters going forward.

Executive Officer Keene Simonds provided the staff presentation and highlighted the two recommendations outlined in the management letter. These involve establishing a capitalization policy for right-to-use lease liabilities over \$40,000 and limiting the length of future office leases.

Commission discussion followed.

The Acting Commission Clerk confirmed there were no speakers or live e-mail comments.

Commissioner MacKenzie motioned with second from Commissioner Becker to approve the staff recommendation (Alternative One) as listed in the agenda report.

Roll call requested:

AYES:	Anderson, Becker, Desmond, MacKenzie, McCann (voting), Vanderlaan, Whitburn, and Willis
NOES:	None
ABSENT:	Vargas, von Wilpert, and White
ABSTAINING:	None

The Acting Commission Clerk confirmed the motion was approved 8-0.

9. EXECUTIVE OFFICER REPORT

Executive Officer Keene Simonds highlighted the work of Local Government Analyst I Michaela Peters Diamond in producing a new informational brochure on San Diego LAFCO that incorporates the agency's 60-year anniversary.

10. COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

Commissioner Willis requested LAFCO staff explore opportunities to reduce and/or waive application fees for special districts given their current contribution to the LAFCO budget. Commissioner Willis also commented on his recent attendance at a Board of Supervisors meeting to request the County provide a share of its property tax to Valley Center FPD.

Commissioner MacKenzie provided an overview of CALAFCO activities.

11. CLOSED SESSION

None

12. ADJOURNMENT TO NEXT MEETING

With no further business the Chair adjourned the meeting at 10:05 a.m.

I hereby attest the minutes above accurately reflect the deliberations of the Commission at its August 7, 2023 meeting.

ATTEST,

Erica Sellen
Acting Commission Clerk

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

5b

AGENDA REPORT
 Consent | Action

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Erica Sellen, Executive Assistant

SUBJECT: **Commission Ratification |**
Recorded Payments for July and August 2023

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report identifying payments made and received for July and August 2023. The payments cover all recorded transactions for the two-month period and include \$0.316 million in total distributions made by the Executive Officer. Close to three-fourths of the payments made tie to the County of San Diego for payroll reimbursements as well as charges for general overhead and information technology services. Most of the remaining payments made tie to professional services and marked by consultant usage. The payments received total \$1.834 million with most tied to agency contributions for the fiscal year.

BACKGROUND

Accounting Policies and Procedures

San Diego LAFCO’s policies provide direction to the Executive Officer to maintain appropriate accounting controls for all financial transactions on behalf of the Commission. Spending allowances are specified and include bid procedures for financial transactions at or above \$10,000 (unless waived due to unique circumstances) and separate Commission approval for any transactions at or above \$125,000.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann Alt. City of Chula Vista</p>	<p>Stephen Whitburn, Vice Chair City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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DISCUSSION

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer during July and August 2023. A detailing of these transactions is provided in Attachments One (July) and Two (August). The item separately provides the Commission the opportunity to provide feedback and inform potential changes in accounting procedures going forward.

ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer covering July and August 2023 total \$315,579 with 76% – or \$239,001 – tied to transactions with the County of San Diego. This includes payroll reimbursements covering four pay periods as well as expenses for general overhead and information technology services. All expenses are consistent with the adopted budget. Revenues collected during the two-month period totals \$1,833,946 and largely tied to collecting new agency contributions.

RECOMMENDATION

It is recommended San Diego LAFCO ratify the payments made and received by the Executive Officer for July and August 2023 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 July and August 2023 as shown in Attachments One and Two.

Alternative Two:

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

Alternative Three

Take no action.¹

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

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 Sellen
Executive Assistant

Attachments:

- 1) Recorded Transactions in July 2023
- 2) Recorded Transactions in August 2023

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SAN DIEGO LAFCO
Expenses by Vendor Detail
 July 2023

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E After Effects (Adobe)						
	7/10/2023	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	7/16/2023	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E Alaska Airlines						
	7/19/2023	52622 · Training/Registration Out-County	1,370.00	Airfare CALAFCO Annual Conference (CI, DN, ES, KS & BW)	credit card	3558-60 · SDCCU Visa Credit Card
E Amazon						
	7/24/2023	52344 · Stores Unallocated	149.50	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	7/31/2023	52344 · Stores Unallocated	82.63	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
			232.13			
E Ambius						
	7/24/2023	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants	check	3558 · SDCCU Checking
E ARCC (Assessor Recording County)						
	7/17/2023	52490 · Publications	50.00	NOE Fee RMWD Reorg (RO20-05)	check	3558 · SDCCU Checking
	7/17/2023	52490 · Publications	50.00	NOE Fee RMWD Reorg SOI (RO20-05)	check	3558 · SDCCU Checking
	7/17/2023	52490 · Publications	50.00	NOE Fee FPUD Reorg (RO20-04)	check	3558 · SDCCU Checking
	7/17/2023	52490 · Publications	50.00	NOE Fee FPUD Reorg SOI (RO20-04)	check	3558 · SDCCU Checking
			200.00			
E AT&T Mobility						
	7/31/2023	52074 · Telecommunications	544.55	Monthly Cell Phone LAFCO Staff	check	3558 · SDCCU Checking
E Blue Barn Creative LLC						
	7/17/2023	52370 · Professional Services	1,250.00	Video Recording Services	electronic	1000 · County Account (44595)
E Blueprint Coffee						
	7/12/2023	52622 · Training/Registration Out-County	7.50	Food AB399 Sacramento (CI)	credit card	3558-60 · SDCCU Visa Credit Card
E Burgers & Brew SMF						
	7/13/2023	52622 · Training/Registration Out-County	22.07	Food AB399 Sacramento (CI)	credit card	3558-60 · SDCCU Visa Credit Card
E CALAFCO						
	7/14/2023	52270 · Memberships	12,221.00	Membership Dues for FY23-24	electronic	1000 · County Account (44595)
	7/24/2023	52622 · Training/Registration Out-County	4,920.00	Registration Annual Conference (CI, TL, JM, DN, MP, ES, KS & BW)	checks	3558 · SDCCU Checking
			17,141.00			
E Carolanne Ieromnimon						
	7/24/2023	52622 · Training/Registration Out-County	80.76	Lyft Reimbursements AB399 Sacramento (CI)	check	3558 · SDCCU Checking
E Claim Jumper						
	7/24/2023	52610 · Non-Travel/In-County	165.62	EO, Counsel & Staff Debriefing	debit card	3558 · SDCCU Checking
E Copy 2 Copy						
	7/24/2023	52334 · Printing	955.69	60-Year Brochures	check	3558 · SDCCU Checking
E County of San Diego						
	7/1/2023	52354 · Mail/Postage ISF	119.48	Mail/Postage Services (Two Months)	electronic	1000 · County Account (44595)
	7/1/2023	52178 · Vehicle Maintenance	359.26	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	7/1/2023	52182 · Vehicle Fuel	0.00	Vehicle Fuel	electronic	1000 · County Account (44595)
	7/1/2023	52758 · Vehicle Lease	165.47	Vehicle Lease	electronic	1000 · County Account (44595)
	7/1/2023	52721 et al. · Communications (IT) Services	8,149.83	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	7/7/2023	5110 et al. · Employee Payroll	46,960.75	Payroll Pay Period 2024-01	electronic	1000 · County Account (44595)
	7/21/2023	5110 et al. · Employee Payroll	55,060.65	Payroll Pay Period 2024-02	electronic	1000 · County Account (44595)
			110,815.44			
E CSDA San Diego Chapter						
	7/24/2023	52270 · Memberships	250.00	Membership Dues for FY23-24	check	3558 · SDCCU Checking
E Deborah Gutierrez						
	7/31/2023	46234 · Applications	4,209.00	Partial Refund for Withdrawn Application (CO23-04)	check	3558 · SDCCU Checking
E Embassy Suites						
	7/12/2023	52622 · Training/Registration Out-County	229.08	Accommodations AB399 Sacramento (CI)	credit card	3558-60 · SDCCU Visa Credit Card
E Fax Plus						
	7/9/2023	52330 · Office Expense	9.17	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E Grubhub						
	7/5/2023	52610 · Non-Travel/In-County	98.3	Staff Bonding Meeting	debit card	3558 · SDCCU Checking
	7/7/2023	52610 · Non-Travel/In-County	70.66	Staff Meeting for RMWD/FPUD	debit card	3558 · SDCCU Checking
			168.96			
E Hyatt Hotels						
	7/21/2023	52622 · Training/Registration Out-County	714.84	Accommodations CALAFCO Annual Conference (BW)	credit card	3558-60 · SDCCU Visa Credit Card

SAN DIEGO LAFCO
Expenses by Vendor Detail
 July 2023

<u>Payable Receivable Party</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>	<u>Purpose</u>	<u>Type</u>	<u>Funding Account</u>
E Michaela Peters	7/21/2023	52610 · Non-Travel/In-County	25.00	ESRI Parking Reimbursement	check	3558 · SDCCU Checking
E Price Self Storage	7/12/2023	52504 · Equipment Rental	122.00	Storage Unit Monthly Payment	credit card	3558-60 · SDCCU Visa Credit Card
E Ready Refresh Water	7/25/2023	52330 · Office Expense	55.15	Monthly Water Service	credit card	3558-60 · SDCCU Visa Credit Card
E San Diego Union Tribune	7/24/2023	52490 · Publications	2,819.96	PHNs CO22-20, RO20-04 & RO20-05	check	3558 · SDCCU Checking
E Southwest Airlines	7/11/2023	52622 · Training/Registration Out-County	417.96	Airfare AB399 Sacramento (CI)	credit card	3558-60 · SDCCU Visa Credit Card
E Veritext	7/24/2023	52334 · Printing	930.00	Transcript of RMWD/FPUD July 10th Meeting	check	3558 · SDCCU Checking
E Voice of San Diego	7/18/2023	52330 · Office Expense	184.36	Annual Subscription to Newspaper	debit card	3558 · SDCCU Checking
E Zoom	7/4/2023	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	7/12/2023	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
			143,388.27			
EXPENSE TOTAL						
R County of San Diego	7/31/2023	45918 · LAFCO Apportionment	1,176,580.17	LAFCO Apportionment FY23-24	electronic	1000 · County Account (44595)
	7/31/2023	49200 · Interest & Dividends	13.12	Interest Payment to Account 46725	electronic	1001 · Committed - Stabilization (min. balance of \$250k)
	7/31/2023	49200 · Interest & Dividends	7.63	Interest Payment to Account 46726	electronic	1002 · Committed - Opportunity (min. balance of \$300k)
	7/31/2023	49200 · Interest & Dividends	57.33	Interest Payment to Account 46727	electronic	1003 · Assigned - Executive Officer (up to \$125k)
			1,176,658.25			
R Orange County LAFCO	7/3/2023	52622 · Training/Registration Out-County	690.94	Split Costs for Event Space & Catering for Extreme Mindfulness	check	3558 · SDCCU Checking
REVENUE TOTAL			1,177,349.19			

SAN DIEGO LAFCO
Expenses by Vendor Detail
 August 2023

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E 3MC Strategies LLC						
	8/18/2023	52370.F · Professional Services	6,785.00	Consultant Services Financial Analysis	electronic	1000 · County Account (44595)
E Ace Parking						
	8/21/2023	52530 · Office Lease	960.00	Monthly Parking Rent	electronic	1000 · County Account (44595)
E After Effects (Adobe)						
	8/10/2023	52270 · Memberships	20.99	Monthly Video Editing Software Subscription	credit card	3558-60 · SDCCU Visa Credit Card
	8/15/2023	52270 · Memberships	19.99	Monthly Adobe DC Pro Upgrade	debit card	3558 · SDCCU Checking
			40.98			
E Amazon						
	8/2/2023	52344 · Stores Unallocated	99.09	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	8/9/2023	52344 · Stores Unallocated	88.33	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	8/31/2023	52344 · Stores Unallocated	135.89	General Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
			323.31			
E Ambius						
	8/28/2023	52344 · Stores Unallocated	395.07	Monthly Service for Office Plants + Rotation	check	3558 · SDCCU Checking
E AT&T Mobility						
	8/28/2023	52074 · Telecommunications	601.56	Monthly Cell Phone LAFCO Staff	check	3558 · SDCCU Checking
E Blue Barn Creative LLC						
	8/18/2023	52370 · Professional Services	1,250.00	Video Recording Services	electronic	1000 · County Account (44595)
E Chase Design Inc						
	8/16/2023	52334 · Printing	225.00	Graphic Design Services Business Cards	electronic	1000 · County Account (44595)
	8/21/2023	52334 · Printing	1,500.00	Graphic Design Services Team Values	electronic	1000 · County Account (44595)
			1,725.00			
E Claim Jumper						
	8/9/2023	52610 · Non-Travel/In-County	212.57	EO, Counsel & Staff Debriefing	debit card	3558 · SDCCU Checking
E Copy 2 Copy						
	8/28/2023	52330 · Office Expense	231.61	Business Cards	check	3558 · SDCCU Checking
E Corodata						
	8/28/2023	52330 · Office Expense	58.11	Document Storage	check	3558 · SDCCU Checking
E County of San Diego						
	8/1/2023	52504 · Equipment Rental	4.64	County Surcharge Xerox	electronic	1000 · County Account (44595)
	8/1/2023	52354 · Mail/Postage ISF	4,133.18	Mail/Postage Services (Two Months)	electronic	1000 · County Account (44595)
	8/1/2023	52178 · Vehicle Maintenance	39.20	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	8/1/2023	52182 · Vehicle Fuel	51.43	Vehicle Fuel	electronic	1000 · County Account (44595)
	8/1/2023	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	8/1/2023	52721 et al. · Communications (IT) Services	7,708.56	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	8/4/2023	51110 et al. · Employee Payroll	51,065.47	Payroll Pay Period 2024-03	electronic	1000 · County Account (44595)
	8/18/2023	51110 et al. · Employee Payroll	51,526.72	Payroll Pay Period 2024-04	electronic	1000 · County Account (44595)
	8/31/2023	52270 · Memberships	5,400.00	SanGIS FY23-24	electronic	1000 · County Account (44595)
	8/31/2023	52550.B · County Overhead Costs	8,076.75	A-87 1st Quarter	electronic	1000 · County Account (44595)
	8/31/2023	52374 · Inter-Departmental	14.74	County Surcharge A-87 1st Quarter	electronic	1000 · County Account (44595)
			128,186.18			
E CSDA San Diego Chapter						
	8/7/2023	52610 · Non-Travel/In-County	70.00	Quarterly CSDA Dinner Registration (CI)	check	3558 · SDCCU Checking
E Dieu Ngu						
	8/7/2023	52610 · Non-Travel/In-County	186.25	Travel Reimbursement ESRI Conference	check	3558 · SDCCU Checking
E Fax Plus						
	8/8/2023	52330 · Office Expense	9.26	Monthly Fax Machine Payment	debit card	3558 · SDCCU Checking
E Granicus Inc						
	8/21/2023	52370.I · Professional Services	8,265.60	FY Website Support Services	electronic	1000 · County Account (44595)
E Lazy Dog						
	8/6/2023	52610 · Non-Travel/In-County	51.59	EO & BW Meeting	debit card	3558 · SDCCU Checking
E Los Angeles Times						
	8/21/2023	52330 · Office Expense	97.76	Digital Access Annual Subscription	debit card	3558 · SDCCU Checking
E Manchester Financial 5th Ave LP						
	8/21/2023	52530 · Office Lease	11,450.42	Office & Storage Rent	electronic	1000 · County Account (44595)
E Mikko Sushi						
	8/2/2023	52610 · Non-Travel/In-County	49.05	EO & DW Briefing	debit card	3558 · SDCCU Checking

SAN DIEGO LAFCO
Expenses by Vendor Detail
 August 2023

Payable Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
E O'Connor & Co.						
	8/19/2023	52370.H · Professional Services	5,320.00	Audit Services	electronic	1000 · County Account (44595)
E Peterson Donut						
	8/7/2023	52330 · Office Expense	43.95	Commission Meeting Refreshments	debit card	3558 · SDCCU Checking
E Price Self Storage						
	8/16/2023	52504 · Equipment Rental	133.00	Storage Unit Monthly Payment	credit card	3558-60 · SDCCU Visa Credit Card
E Priscilla Mumpower						
	8/28/2023	52610 · Non-Travel/In-County	85.10	RMWD-FPUD Staff Lunch Meeting Reimbursement	check	3558 · SDCCU Checking
E Ready Refresh Water						
	8/24/2023	52330 · Office Expense	55.15	Monthly Water Service	credit card	3558-60 · SDCCU Visa Credit Card
E San Diego Union Tribune						
	8/28/2023	52490 · Publications	2,985.84	PHNs RO20-04 & RO20-05	check	3558 · SDCCU Checking
E Starbucks						
	8/7/2023	52330 · Office Expense	40.00	Commission Meeting Refreshments	credit card	3558-60 · SDCCU Visa Credit Card
E Stephen Abbott						
	8/21/2023	52370.F · Professional Services	1,120.00	Consultant Services MSR & Fire	electronic	1000 · County Account (44595)
E Uber Eats						
	8/24/2023	52610 · Non-Travel/In-County	99.20	Staff Breakfast Meeting	credit card	3558-60 · SDCCU Visa Credit Card
E Village News						
	8/8/2023	52490 · Publications	800.00	PHNs RO20-04 & RO20-05	check	3558 · SDCCU Checking
E Xerox						
	8/16/2023	52504 · Equipment Rental	527.35	Xerox Rental	electronic	1000 · County Account (44595)
E Zoom						
	8/4/2023	52270 · Memberships	15.99	Staff Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
	8/13/2023	52270 · Memberships	15.99	EO Monthly Video Conferencing Subscription	debit card	3558 · SDCCU Checking
			31.98			
			<u>172,190.89</u>			
EXPENSE TOTAL						
			<u>172,190.89</u>			
R City of Carlsbad						
	8/1/2023	46234 · Applications	8,326.50	Processing Fees (CO23-09)	check	1000 · County Account (44595)
R Clark & Green Associates						
	8/1/2023	46234 · Applications	7,045.50	Processing Fees (CO23-10)	check	1000 · County Account (44595)
R County of San Diego						
	8/31/2023	45918 · LAFCO Apportionment	639,282.50	LAFCO Apportionment FY23-24	electronic	1000 · County Account (44595)
R Rainbow MWD						
	8/31/2023	52490 · Publications	1,939.96	Recording & PHN Fees (RO20-04)	check	3558 · SDCCU Checking
			<u>656,594.46</u>			
REVENUE TOTAL						
			<u>656,594.46</u>			



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

5C

AGENDA REPORT
 Consent | Action

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Michaela Peters, Local Government Analyst I

SUBJECT: Proposed “Escondido North LLC-Stanley Avenue Reorganization” (Conway) | Annexation to the City of Escondido with Concurrent Detachment from County Service Area No. 135 and Related Actions (RO23-07-A)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a reorganization proposal initiated by landowner petition with the principal action to annex one legal parcel involving 2.01 unincorporated acres – developed with an existing single-family residence and accessory dwelling unit along Stanley Avenue – to the City of Escondido. A concurrent detachment from County Service Area (CSA) No. 135 and its regional communication service function is also part of the reorganization. The affected territory is part of a 14.1 acre planned development site tentatively approved by the City for a 56-unit subdivision (“Conway Subdivision”). The purpose of the proposal accordingly is to accommodate the planned development by placing the entire site within the City. Staff recommends conditional approval of the proposal as submitted to include removal of the affected territory from Rincon del Diablo Municipal Water District’s authorized fire protection and emergency medical service area (Improvement District E). Other standard terms would apply. It is also recommended the Commission waive protest proceedings along with making parallel findings to the mitigated negative declaration adopted by the City.

<p>Administration: Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcountry.ca.gov www.sdlafco.org</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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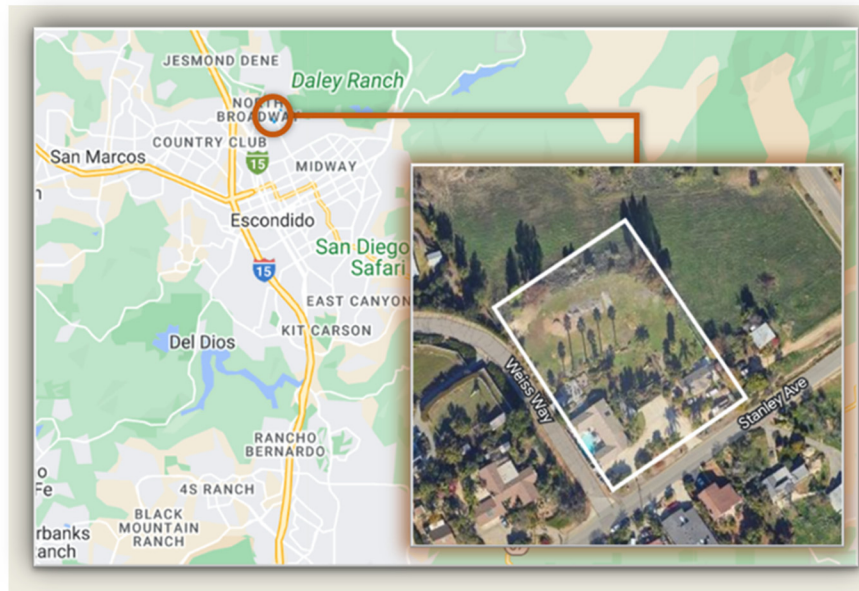
BACKGROUND

Applicant Request & Requested Terms

San Diego LAFCO has received a proposal initiated by landowner petition (Escondido North LLC) for the primary purpose of annexing approximately 2.01 acres of unincorporated territory to the City of Escondido. (The proposal – pertinently – is part of a larger multi-project filing that has been administratively separated by the Executive Officer into “A” and “B”).¹ The affected territory as submitted comprises one entire parcel developed with a 3,214 square foot single-family residence built in 1968 with a situs address of 916 Stanley Avenue. A detached accessory dwelling unit is also present. A secondary action to detach the affected territory from CSA No. 135 and its regional communication function is also part of the proposed reorganization. The County of San Diego Assessor’s Office identifies the subject parcel as 224-141-24. No approval terms accompany the landowner petition.

Regional Setting

The affected territory is located in an unincorporated island within the City of Escondido’s norther perimeter. The affected territory is within 300 feet from North Ash Avenue, which serves as the closest arterial roadway and provides direct access to other nearby arterials in Rincon Avenue to the north and El Norte Parkway to the south. The affected territory lies within County Supervisorial District No. 5 (Jim Desmond), Assembly District No. 76 (Brian Maienschein), and Senate District No. 40 (Brian W. Jones). An aerial map of the affected territory and its regional setting follows with a more detailed map – including the existing parcel and jurisdictional boundaries – provided at Attachment One.



¹ San Diego LAFCO received a landowner petition in May 2023 requesting proceedings for a reorganization involving annexation of 7.4 acres to the City of Escondido. The proposed reorganization as submitted comprises three distinct areas and involves two projects known as the “Conway Subdivision” and the “Ash Street Subdivision”. The proposal also includes one parcel that accommodates a landowners’ interest in joining in the annexation. The proposal has been administratively bisected into two separate proposals RO23-07-A & RO23-07-B. This staff report considers the “Conway Subdivision” (RO23-07(a)) and the specific request to annex one parcel involving 2.01 acres to the City of Escondido with concurrent detachment from County Service Area No. 135.

Subject Agencies

The proposed reorganization filed with San Diego LAFCO involves two subject agencies: the City of Escondido and CSA No. 135.² Summaries of the subject agencies in terms of governance, resident population, municipal functions, and financial standing follows.

- **City of Escondido** was incorporated in 1888 as a general-law municipality with an existing estimated resident population of 152,292. Escondido spans 23,971 acres or 37 square miles and bordered by the unincorporated community of Valley Center to the north and east; the Cities of San Diego and Poway to the south; and the City of San Marcos to the west. Escondido is a full-service municipality and headlined by directly providing community planning, fire protection, parks and recreation, police protection, wastewater, and water services. LAFCO last reviewed and updated Escondido’s sphere in 2023 with a larger-than-agency designation that includes several unincorporated areas – including the Hidden Meadows neighborhood. Escondido’s audited net position is \$429.1 million as of June 30, 2021 with an undesignated fund balance of (\$108.8) million. (This is the most recent audit performed.) The unrestricted amount is adjusted to \$119.8 million less pension and related retiree liabilities. Overall, Escondido’s total net position has changed by 10.3% over the prior three audited years.
- **CSA No. 135** is a dependent special district of the County of San Diego encompassing 3,739.8 square miles and includes all unincorporated lands as well as 10 of the 18 cities in San Diego County. CSA No. 135 was formed in 1994 to provide public safety radio communications through a funding agreement with a third-party (Regional Communication Systems) and involves operating an 800-megahertz system. Administration of this municipal function is provided by County Sheriff. The current estimated resident population within CSA No. 135 is 1,074,319. LAFCO established a sphere of influence in 1994 coterminous to the county boundary. The sphere was last reviewed and affirmed in 2007. The most recent audit shows the County’s net position at \$3.790 billion as of June 30, 2022. This accrued amount reflects an overall three-year change of 5.4% and includes an unrestricted portion of (\$1.858 billion) that adjusts to \$1.297 billion less retiree obligations.

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of 10 local agencies directly subject to San Diego LAFCO’s planning and regulatory responsibilities. These agencies qualify as “affected agencies” relative to the proposed reorganization for noticing purposes and listed below.³

- CSA No. 135 (Regional Communications)
- Metropolitan Water District of Southern California

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

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.

- North County Cemetery District
- North County Transit District
- Palomar Healthcare District
- Rincon del Diablo MWD
- Resource Conservation District of Greater San Diego County
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority

The affected territory also lies within the following school and college districts, and accordingly receive notice of the proposal: Escondido Union High School District, Escondido Union School District, and Palomar Community College District.

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications to the physical footprint – the reorganization proposal and its principal action to annex the affected territory to the City of Escondido. The Commission may also consider applying conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to proposal purpose, development opportunities, and Commission focus follows.

Proposal Purpose

The purpose of the proposed reorganization before San Diego LAFCO is to accommodate the planned development of 56 residential units as part of the Conway Subdivision. This development has been tentatively approved by the City of Escondido and – among other items – requires annexation of the affected territory to ensure all 14.1 acres of the project site lies within the Escondido’s land use authority and eligible therein for City services.⁴ The subject lot comprising the affected territory – notably – will be split to accommodate each of its two existing units with ancillary property line adjustments to cede approximately one-half of the acreage to help form four newly created lots. The timing of the proposal ties directly to the discretionary approval of the Conway Subdivision by Escondido in February 2023.

Current and Planned Development Opportunities

The affected territory is presently unincorporated and entirely designated by the County of San Diego as Semi-Rural Residential (Sr-1) with a matching zoning assignment. This existing assignment prescribes a 1.0-acre minimum lot size, and accordingly provides a maximum density potential under the County’s land use authority of two lots within the affected territory less any ancillary setback requirements. Escondido separately designates the affected territory as Estate II with a pre-zoning assignment of Residential Estate – 20 (RE-20),

⁴ The project site consists of seven total parcels totaling 14.07 acres located at 916, 942, and 943 Stanley Avenue and involving APN’s 224-141-23, 224-141-24, 224-141-25, 224-142-30, 224-142-21, 224-142-32, and 224-142-33. The only parcel necessitating annexation into the City of Escondido involves APN 224-141-24 and spans 2.01 acres.

which prescribes a 0.5-acre minimum lot size. This pre-zoning assignment provides a maximum density potential under the City’s land use authority of four lots less any ancillary setback requirements. County and City land use policies also allow for additional intensity via one accessory dwelling unit for each single-family residence. This latter accommodation means the maximum unit potential within the affected territory under the County and City are four and eight, respectively.

As referenced, the affected territory is part of the tentatively approved Conway Subdivision. This project spans 14.1 acres and involves a total of 56 residential units divided between 46 single-family residential lots and one multi-family lot with five duplexes. The two existing residential units (single-family residence and accessory dwelling unit) comprising the affected territory will remain but divided into two lots. The new lots will also be reconfigured through property line adjustments to total approximately 1.0 acres with the remainder ceded to help create four new adjacent lots within the Conway Subdivision.

Commission Focus

San Diego LAFCO’s current sphere of influence designation for the City of Escondido includes the affected territory and can readily accommodate the proposed annexation without amendment. Similarly, the current sphere of influence designation for CSA No. 135 is countywide and amendments have not been made by practice to exclude detached territory. These existing sphere determinations narrows the Commission’s consideration of the proposed reorganization to two central and sequential policy items. These policy items ultimately take the form of determinations and orient the Commission to consider the stand-alone merits of the (a) timing of the reorganization and (b) whether discretionary modifications or terms are appropriate. The Commission must also consider other relevant statutes in and outside LAFCO law as detailed.

ANALYSIS

San Diego LAFCO’s analysis of the proposed reorganization is divided into two subsections. The first subsection pertains to evaluating the central policy issues referenced in the preceding section relative to both statutory and local policy considerations. The second subsection considers other germane issues required for the LAFCO proposal consideration and this include complying with the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 | Reorganization Timing

San Diego LAFCO’s consideration of the proposed reorganization’s timing draws on analyzing baseline factors required in statute as well as applicable policies set by the Commission. Most of the baseline factors in statute focuses on disclosing and otherwise addressing compatibility issues with external goals and policies of other State, regional, and

local agencies as well as assessing the ability of subject agencies providing services going forward.⁵ Applicable local policies prompted for consideration are headlined by L-107 and its attention to disclosing and/or addressing any known or perceived jurisdictional disputes.

Analysis of these two related timing factors follows.

- Timing Factor No. 1:

Baseline Considerations: Regional Policies + Service Relationships

State law prescribes the mandatory consideration of certain and multifaceted factors anytime LAFCOs consider jurisdictional changes. These factors range in substance from disclosures – such as the affected territory’s current land uses, assessed values, register voter counts, and so on – to discretionary analyses. This latter category is highlighted by evaluating the proposed annexation’s relationship to community needs as well as the service capacities and related financial resources of the subject agencies. A summary of key conclusions generated in reviewing these discretionary matters for the proposed reorganization with an emphasis on the receiving entity (City of Escondido) regarding (a) service needs, (b) service availability and capacities, and (c) related financial considerations follow.

- With respect to **service needs**, the present and planned residential land uses of the affected territory merits organized public services and would be aided by the reorganization and annexation to Escondido and its ability to provide a range of urban-supporting services. The Commission has previously designated Escondido as the appropriate future land use authority and primary service provider for the affected territory through standing inclusion in the City’s sphere of influence. Annexation to Escondido memorializes this standing expectation and accommodates the expressed interest of the affected landowner as evident by their written interest and consent in proceeding with the reorganization.
- With respect to **service availability and capacities**, Escondido would directly assume most municipal service responsibilities for the affected territory upon reorganization and highlighted by providing the following core functions: community development; wastewater; integrated fire protection and emergency medical; and police protection. (Other key municipal service functions that would continue to be provided to the affected territory post reorganization include water by Rincon del Diablo MWD and public transportation by North County Transit District.) Additional details on these core functions and relationship – availability and capacity – between Escondido and the affected territory follows.

Escondido would assume community planning responsibilities for the affected territory from the County of San Diego as part of the reorganization. The transition is contemplated in the Escondido General Plan (2012) and further prescribed by the City rezoning the subject lot as Residential Estate – 20.

⁵ Reference to Government Code Section 56668.

Escondido would assume wastewater service responsibilities for the affected territory upon reorganization and transition from an existing onsite septic system. An existing Escondido wastewater main is located immediately south of the affected territory within the public right-of-way on Conway Drive. Current average day wastewater flow generated within the affected territory via its two residential units is 500 gallons. It is projected the maximum average day wastewater flow generated within the affected territory post reorganization and planned uses – including the lot split and property line adjustments – is 1,000 gallons and tied to accommodating four residential units (two single-family homes and two accessory dwelling units). This projected amount can be readily accommodated by the City of Escondido and represents 0.018% of its available treatment capacity remaining within its wastewater system.

Escondido would formally assume integrated fire protection and emergency medical service responsibilities for the affected territory. This change would have no material impact on service levels given Escondido is the existing contract provider for Rincon del Diablo Municipal Water District (via its Improvement District E). First-response would continue to be provided from Escondido’s Station No. 7, located nearby at 1220 N. Ash Street. Response times to the affected territory are estimated to be less than 4 minutes for priority calls and non-priority calls. Total response time would fall within the City's response time standard of 7.5 minutes for urban areas and 8.5 minutes for suburban areas.

Escondido would formally assume police protection responsibilities from the County of San Diego as part of the reorganization. This change would have no material impact on service levels given Escondido’s automatic aid agreement with the County Sherriff already commits the City to serve as first responder for all high proximity calls for the region given its proximity to City resources.

- With respect to **related financial considerations**, staff analysis shows the City of Escondido has financial resources and administrative controls to readily assume municipal service responsibilities to the affected territory in support of its existing and planned uses without significant impacts. This macro comment considers the relatively limited scale of the proposed annexation to Escondido paired with acknowledging recent City stresses due to escalating resources requiring redirection to cover pension costs. Escondido, nonetheless, finished with positive total margins in each of the last three completed fiscal years with a period average of 6.4% ending in June 2021.

- **Timing Factor No. 2:
Consideration of Policy L-107**

San Diego LAFCO adopted L-107 in May 2010 to require all applicants to disclose jurisdictional disputes or related items that are associated with their proposal filings. If applicable, and unless waived by the Executive Officer, the policy requires applicants and/or their representatives to consult with opponents to resolve any known issues – concerns, disputes, etc. – before the item is formally considered by the Commission.⁶ If an agreement is reached through the consultation process, the policy states the Commission shall consider the provisions as part of the application. If an agreement is not reached despite exhausting good-faith efforts, the policy states the Commission shall proceed to consider the application as submitted.

No jurisdictional disputes have been disclosed by the City of Escondido, CSA No. 135, or County of San Diego through the administrative review with LAFCO. No objections to the proposal have been separately received from any other local agencies.

CONCLUSION | MERITS OF REORGANIZATION TIMING

The timing of the reorganization and its principal action to annex the affected territory to the City of Escondido is warranted. Justification is marked by the preceding analysis and appropriately syncs the transition of an unincorporated parcel to an adjacent city in conjunction with a known and otherwise appropriate development project consistent with the Escondido General Plan. Further, the reorganization readily syncs with Escondido’s existing infrastructure with sufficient capacities to accommodate the maximum potential demands projected within the affected territory post reorganization. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 | 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 confirmation that the annexation of the affected territory would not generate any corridors and/or otherwise illogical jurisdictional features. Standard terms are appropriate along with the condition the landowner consent to the formal removal of the subject parcel from Rincon del Diablo MWD’s Improvement District-E with related authorization for LAFCO staff to process the change with the County Auditor and State Board of Equalization.

⁶ The Executive Officer retains discretion to determine the extent of consultation needed.

CONCLUSION | MODIFICATIONS AND TERMS

No modifications – expansions or reductions – to the physical footprint of the proposal appears warranted. Standard approval terms are recommended as well as requiring the landowner/applicant to consent to the removal of the subject parcel from Rincon del Diablo MWD’s Improvement District E along with any related authorizations.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change involving an annexation and/or detachment unless an applicable master agreement applies. Staff has confirmed with the City of Escondido and County of San Diego to apply an existing master agreement to govern the tax exchange for the proposed reorganization. This master agreement specifies Escondido shall receive 36% of the County’s existing apportionment of the 1% property tax collected within the affected territory going forward. The estimated value of the exchange is currently \$308.84 annually based on current assessed values (land and structures).⁷ There are no property taxes to be exchanged with respect to the detachment from CSA No. 135.

Environmental Review

San Diego LAFCO is obligated under CEQA to assess whether environmental impacts would result from activities approved under the Commission’s authority, either as a lead or responsible agency. Accordingly, the Commission is tasked with making findings under CEQA in consideration of the proposed reorganization. Staff’s analysis follows.

- The City of Escondido serves as lead agency under CEQA for considering the reorganization and specifically the principal action to annex the affected territory to the City as part of its discretion to approve the underlying development project. In this role as lead agency, on February 8, 2023, Escondido certified an Initial Study and adopted a Mitigated Negative Declaration (MND) for the underlying development and identified potential significant environmental impacts for all of the following categories: air quality, biological resources, cultural and tribal resources, geology and soils, hazards and hazardous materials, noise, and transportation and traffic. Escondido attests the implementation of mitigation measures reduce these potential impacts to less than significant levels. Staff independently believes Escondido has prepared a sufficient document as lead agency in assessing and mitigating potential impacts and it would be appropriate for the Commission to adopt the finding of the MND as a responsible agency.

⁷ The current 1% property tax received by the County from the subject lot is \$857.91.

- LAFCO serves as lead agency under CEQA for considering the reorganization and specifically the secondary action to detach the affected territory from CSA No. 135 and its regional communication service function. Staff believes the detachment is a project under CEQA but qualifies for exemption under Guidelines Section 15320. This exemption appropriately applies given the subject service – regional communications – will be entirely transferred and assumed by Escondido without any material changes in the scope, scale, or adequacy post reorganization.

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 Section 56662. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law (i.e., less than 11 voters); the subject agency has not filed an objection to the waiver; and the landowners have consented to the underlying action.⁸

RECOMMENDATION

Staff recommends conditional approval of the reorganization proposal as submitted with any physical modifications. This recommendation is consistent with the action outlined as Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):

Adopt the attached draft resolution approving the reorganization proposal as submitted with terms – including removal of the affected territory from Rincon del Diablo MWD’s IDE – along with waiving protest proceedings.

Alternative Two:

Continue consideration to the next regular meeting.

Alternative Three:

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

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

PROCEDURES FOR CONSIDERATION

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.

On behalf of the Executive Officer,



Michaela Peters

Analyst I

Appendices:

- A) Analysis of Proposal Review Factors

Attachments:

- 1) Vicinity Map of the Affected Territory
- 2) Draft Resolution of Approval
- 3) Application Materials
- 4) Clickable link [Final MND \(Conway Subdivision\)](#)

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APPENDIX A
Government Code Section 56668
Proposal Review Factors

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

The affected territory as submitted comprises one unincorporated parcel spanning 2.01-acres adjacent to the City of Escondido. The subject parcel is developed with a single-family residence and an accessory dwelling unit at 916 Stanley Avenue (APN 224-141-24) and presently occupied with eight residents and four registered voters. The affected territory lies within an entirely surrounded island and transitioning from rural residential to more moderate residential density. Additional growth and development within the adjacent area – and highlighted by the associated Conway Subdivision – is expected in the next 10 years. Total assessed value (land and structures) of the subject parcel is \$529,726 with the last transaction recorded in October 2021.⁹

- 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 Escondido would assume the primary role in providing core municipal service functions for the affected territory if the reorganization is approved. This would include the need and related provision of community planning, wastewater, fire protection and emergency medical, and police protection. (Potable water service to the affected territory would continue to be provided by Rincon del Diablo MWD). A summary of the existing adequacy of these core services follows.

- Escondido would assume community planning responsibilities for the affected territory from the County of San Diego as part of the reorganization. This transition is explicitly contemplated in the Escondido General Plan (2012) and further prescribed by the City pre-zoning the subject lot as Residential Estate-20.

⁹ Total assessed land value of the subject parcel is \$95,792.

- An existing Escondido wastewater main is located immediately adjacent to the east affected territory within the public right-of-way on Conway Drive and presently accessible through an approximate 25-40-foot private lateral connection. It is projected the maximum average day wastewater flow generated within the affected territory post reorganization and planned uses – including the lot split and property line adjustments – is 1,000 gallons and tied to accommodating four residential units (two single-family homes and two accessory dwelling units). This projected amount can be readily accommodated by the City of Escondido and represents 0.018% of its available treatment capacity remaining within its wastewater system.
- Escondido would formally assume integrated fire protection and emergency medical service responsibilities for the affected territory. This change would have no material impact on service levels given Escondido is the existing contract provider for Rincon del Diablo Municipal Water District (via its Improvement District E). First-response would continue to be provided from Escondido’s Station No. 7, located across the street from the affected territory at 1220 N. Ash Street. Response times to the affected territory are estimated to be less than 4 minutes for priority calls and non-priority calls. Total response time would fall within the City’s response time standard of 7.5 minutes for urban areas and 8.5 minutes for suburban areas.
- Escondido would formally assume police protection responsibilities from the County of San Diego as part of the reorganization. This change would have no material impact on service levels given Escondido’s automatic aid agreement with the County Sheriff which already commits the City to serve as first-responder for all high priority calls for the region given its proximity to the City boundary.

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 and annexation therein to the City of Escondido would reflect and strengthen existing economic and social ties between the City and the affected territory based on proximity and current service provisions involving automatic public safety aid. These existing social and economic ties are relatedly reflected in the Commission’s standing inclusion of the affected territory within Escondido’s sphere of influence.

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

Approving the proposed reorganization and annexation to Escondido would facilitate the orderly expansion of the City’s jurisdictional boundary consistent with the sphere of influence. The affected territory does not contain “open-space” as defined under LAFCO law and no conflicts exists under Government Code Section 56377. Additional analysis concerning conformance with germane Commission policies follows.

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

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

The affected territory does not presently contain “agricultural land” as defined under LAFCO law. 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 proposal and annexation to the City of Escondido 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 that appears consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the map and geographic description by the County Assessor’s Office and address any modifications enacted by the Commission.

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

The proposed reorganization involves the principal action to annex an existing development single-family residence and accessory unit to the City of Escondido as part of a larger planned 56-unit subdivision. The proposal and its anticipated outcomes do not generate any known conflicts with *San Diego Forward*, the regional transportation plan adopted by the San Diego Association of Governments.

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

The affected unincorporated territory is presently designated by the City of Escondido for Residential Estate II. The affected territory is similarly pre-zoned as Residential Estate-20, which prescribes a minimum parcel size of 0.5 acres and allows 2.0 dwelling units per acre. The existing and planned residential uses are consistent with the proposal’s purpose to annex the affected territory into the City of Escondido and accommodate existing and planned urban uses going forward.

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

The affected territory lies entirely within the existing sphere of influence designated for the City of Escondido.

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

Notice of the submitted reorganization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on September 25, 2023.

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.

Information collected and reviewed as part of this proposal indicates the City of Escondido has overall sufficient and available financial resources and administrative controls therein relative to serving the affected territory without adversely impacting existing constituents. This statement is supported by the following factors.

- Escondido's last outside audit covers 2020-2021 and shows the City finished with sufficient liquidity levels with an agency-wide current ratio of 6.3 (i.e., \$6.30 in current assets for every \$1.00 in current liabilities).
- Escondido finished 2020-2021 with good capital levels and marked by a debt ratio of 55.2% (i.e., only \$55.00 out of every \$100.00 in net assets are financed.)
- Escondido finished 2020-2021 with an overall total margin of 12.5%.

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

The affected territory's existing residential uses are presently within and connected to Rincon del Diablo MWD's retail potable water system with wholesale supplies provided by the San Diego County Water Authority and Metropolitan Water District of Southern California. Approval of the proposed reorganization would not affect these existing relationships and/or commitments. Further, Rincon del Diablo did not request any approval terms in the course of receiving a notice of review on the reorganization.

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

The proposed reorganization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the City of Escondido by the region’s council of governments through the standing inclusion of the land within the City sphere of influence.

n) Any information or comments from the landowners, voters, or residents.

The affected territory is considered uninhabited as defined by LAFCO law (containing 11 registered voters or less). The landowners support the proposed reorganization and have provided written consent to the proceedings as the petitioners.

o) Any information relating to existing land use designations.

See above analysis for (h).

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

The reorganization is expected to aid and/or otherwise promote environmental justice by enhancing wastewater and integrated public safety services within the affected territory and for any groups that are susceptible to pollution burdens and their effects. This latter category – notably – includes low-income communities, communities of color, tribal nations, and other disadvantaged groups. Consideration of existing environmental justice factors within the affected territory draw on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0).

Two composite percentile rankings for the affected territory are generated within this analysis and involves (a) pollution burdens and (b) susceptible population to pollution burdens relative to all census tracts in California. These rankings follow.

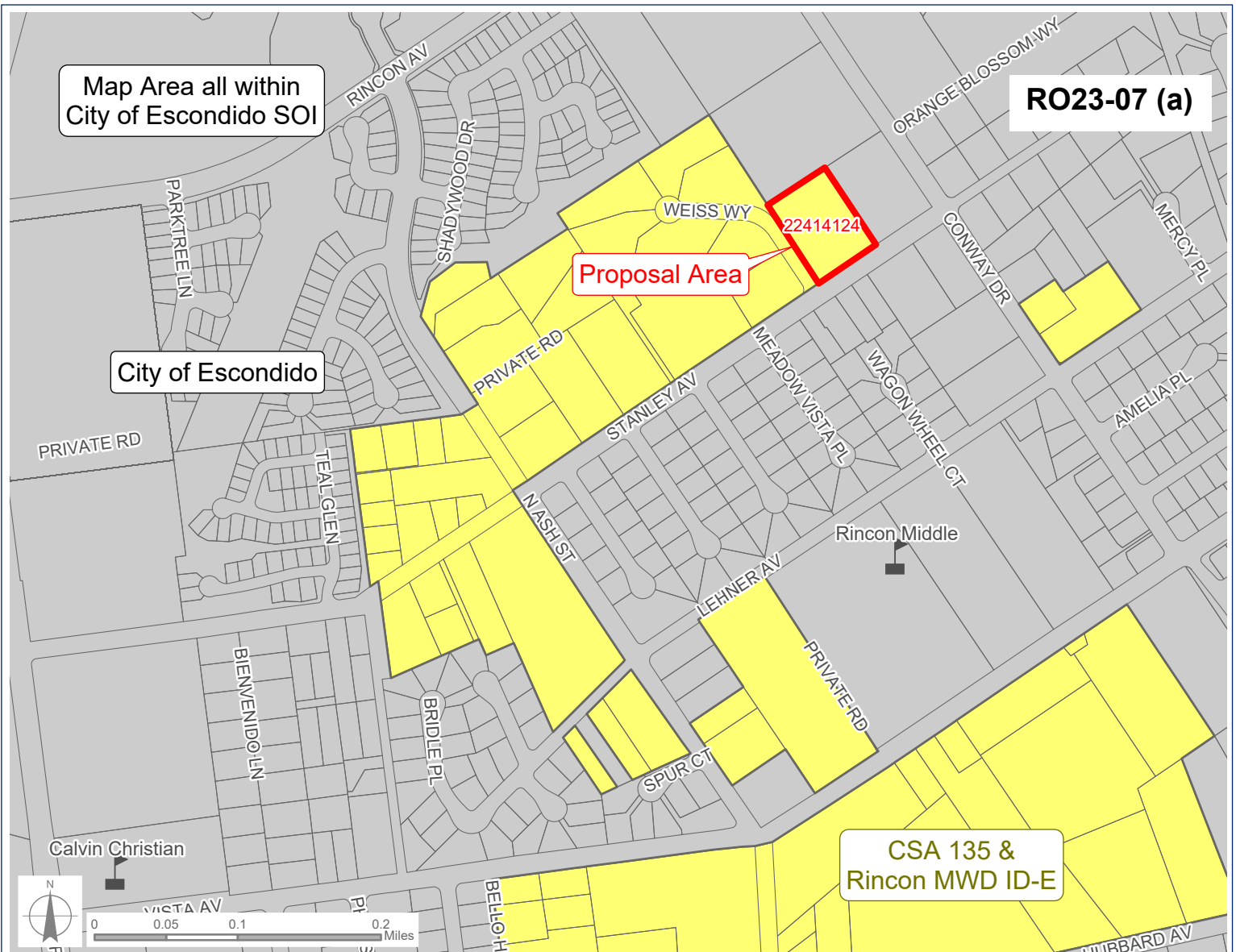
- The affected territory’s **composite pollution burden ranking** falls in the fifth percentile with an internal range between 0 to 56 percentiles. Two pollution burden measurements exceed the 50 percentile and considered relatively high. These two measurements are relative to air quality and involve ozone and diesel PM.
- The affected territory’s **composite susceptible population** ranking falls in the twentieth percentile with an internal range between 0 to 58 percentiles. Two of these at-risk groups exceeds the 50 percentile and involves low birth weight and limited education.

A summary of all tracked pollution burdens and susceptible population follows.

Census Tract 6073020107	
Pollution Burdens and Susceptible Population	
Table 2.6a (Source: California Environmental Protection Agency and SD LAFCO)	
Factor	Census Tract 6073020107
No. of Census Tracts	1
Estimated Population within Tract(s)	3,923
Pollution Burden	Weighted Percentile
... Percentile	4.8
Indicator Air Quality: Ozone	55.4
Indicator Air Quality: PM 2.5:	13.8
Indicator Air Quality: Diesel PM:	55.9
Indicator Pesticides:	20.1
Indicator Toxic Releases:	11.6
Indicator Traffic:	12.4
Indicator Drinking Water Contaminants:	35.3
Indicator Lead in Housing:	41.2
Effects Cleanup Sites:	0.00
Effects Groundwater Threats:	0.00
Effects Hazardous Waste:	0.00
Effects Impaired Water:	23.9
Effects Solid Waste:	0.00
Sensitive Population	Weighted Percentile
... Percentile	20.2
Population Asthma:	19.3
Population Low Birth Weight:	58.2
Population Cardiovascular Disease:	28.5
Population Education:	50.7
Population Linguistic Isolation:	0.00
Population Poverty:	30.3
Population Unemployment:	29.4
Population Housing Burden:	14.7

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 Escondido’s General Plan contains a hazard mitigation plan for potential fire, flooding, and earthquakes. The affected territory lies within a “No Designation” fire hazard zone and a “Low-Level” earthquake hazard zone.



"ESCONDIDO NORTH LLC - STANLEY AVENUE REORGANIZATION" | ANNEXATION TO THE CITY OF RO23-07(a) ESCONDIDO WITH CONCURRENT DETACHMENT FROM CSA NO. 135 AND EXCLUSION FROM RINCON DEL DIABLO MWD ID-E

- Proposal Area
- City of Escondido
- CSA 135 & Rincon MWD ID-E

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 REORGANIZATION

**“ESCONDIDO NORTH LLC-STANLEY AVENUE REORGANIZATION - A”
ANNEXATION TO THE CITY OF ESCONDIDO WITH CONCURRENT DETACHMENT FROM
COUNTY SERVICE AREA NO. 135
LAFCO FILE NO: RO23-07(a)**

WHEREAS, on May 1, 2023, interested landowner – Escondido North LLC – filed a petition to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission”, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application filed with the Commission has been administratively separated by the Executive Officer with the concurrence of the petitioner into two distinct jurisdictional change requests cited as “A” and “B”; and

WHEREAS, the separated application before the Commission – “A” – seeks approval of a reorganization of approximately 2.1 acres of unincorporated territory in the County of San Diego involving annexation to the City of Escondido with concurrent detachment from the County Service Area 135; and

WHEREAS, the affected territory as proposed includes one legal parcel developed with one single-family residence and one accessory dwelling unit and identified by the County of San Diego’s Assessor’s Office as 224-141-24; and

WHEREAS, on December 5, 1984, the County of San Diego and the City of Escondido approved a Master Property Tax Transfer Agreement that will govern the property tax exchange associated with the reorganization of the affected territory to the City of Escondido; 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 October 2, 2023;

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56668 as well as 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. With respect to considering the effects of the proposed reorganization under the California Environmental Quality Act (CEQA), the Commission's makes the following findings:
 - a) The City of Escondido serves as lead agency under CEQA for considering the reorganization and specifically the principal action to annex the affected territory to the City as part of its discretion to approve the underlying development project. In this role as lead agency, on February 8, 2023, Escondido certified an Initial Study and adopted a Mitigated Negative Declaration (MND) for the underlying development and identified potential significant environmental impacts for all of the following categories: air quality, biological resources, cultural and tribal resources, geology and soils, hazards and hazardous materials, noise, and transportation and traffic. Escondido attests the implementation of mitigation measures reduce these potential impacts to less than significant levels. The Commission independently concurs Escondido has prepared a sufficient document as lead agency in assessing and mitigating potential impacts and it would be appropriate for the Commission to adopt the finding of the MND as a responsible agency.
 - b) LAFCO serves as lead agency under CEQA for considering the reorganization and specifically the secondary action to detach the affected territory from CSA No. 135 and its regional communication service function. The Commission concurs the detachment is a project under CEQA but qualifies for exemption under Guidelines Section 15320. This exemption appropriately applies given the subject service – regional communications – will be entirely transferred and assumed by Escondido without any material changes in the scope, scale, or adequacy post reorganization.
4. The Commission APPROVES the reorganization without modifications and subject to conditions as provided. Approval involves all the following:
 - a) Annexation of the affected territory to the City of Escondido as shown in "Exhibit A-1" and described in "Exhibit A-2".
 - b) Detachment of the affected territory from County Service Area No. 135 as shown in "Exhibit A-1" as described in Exhibit A-2".
5. The Commission CONDITIONS all approvals on the following terms being satisfied by October 2, 2024 unless an extension is requested in writing and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.

- b) Submittal to the Commission of final 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 Divisions.
 - c) Written consent and related authorizations from the applicant – Escondido North LLC – to remove the subject parcel from Rincon del Diablo Municipal Water District’s Improvement District “E” involving fire protection and emergency medical.
 - d) Submittal to the Commission of the following payments:
 - o A check made payable to LAFCO in the amount of \$100.00 for the County of San Diego- Clerk Recorder to reimburse for filing a CEQA Notice of Determination and Notice of Exemption consistent with the finding in the resolution.
 - o A check made payable to the State Board of Equalization for processing fees in the amount of \$350.00.
6. The Commission assigns the proposal the following short-term designation: “Escondido North LLC-Stanley Avenue Reorganization - A”
 7. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
 8. The Commission waives conducting authority proceedings under Government Code Section 56662.
 9. The County Service Area 135 are registered-voter districts.
 10. The City of Escondido- and County Service Area 135 all utilize the County of San Diego assessment roll.
 11. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the City of Escondido as provided under Government Section 57328, and will be subject to any previously authorized taxes, benefit assessments, fees or charges of the City of Escondido as provided under Government Code Section 57330.
 12. 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.
 13. As allowed under Government Code Section 56107, the Commission authorized the Executive Officer to make non-substantive corrections to the resolution to address any technical defects, errors, irregulates, or omissions.
 14. The Executive Officer is hereby authorized and directed to transmit copies of this resolution as provided in Sections 56880-56882 of the Government Code.

15. 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 October 2, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

**

ATTEST:

Keene Simonds
Executive Officer

EXHIBIT A-1
MAP OF AFFECTED TERRITORY

-Placeholder-

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EXHIBIT A-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

Blank for Photocopying

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

RECEIVED

MAY 01 2023

The following information must be submitted when filing a change of organization or reorganization proposal with the San Diego Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

SAN DIEGO LAFCO

- 1. **Completed CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION.**
- 2. (a) A **certified resolution of application** from an affected city or district; or
 (b) A **landowner or registered voter petition** making application to San Diego LAFCO (available from LAFCO or <http://www.sdlafco.org/forms/petition.pdf>).
- 3. A **metes-and-bounds legal description of the proposal territory perimeter** for the proposed boundary change(s), a **reproducible parcel/plat map**, and a **vicinity map**. For information about mapping requirements, refer to: http://www.sdlafco.org/forms/legal_description.pdf, and contact the County Assessor's Mapping Division at 619/531-5588. The Thomas Brother's Guide may be used for the vicinity map.
- 4. **Environmental documentation** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only:
 - (a) **INITIAL STUDY:** Submit completed form (available from LAFCO) if no environmental review has been conducted;
 - (b) **CATEGORICAL EXEMPTION:** Submit document if an agency has certified that the project qualifies for a categorical exemption from CEQA;
 - (c) **NEGATIVE DECLARATION (ND):** Submit document with certifying resolution and Initial Study*;
 - (d) **ENVIRONMENTAL IMPACT REPORT (EIR):** Submit 15 copies of the Final EIR and certifying resolution, plus one copy of the EIR Appendix*.

* For an ND or EIR, a copy of the receipt for the fee paid to the California Department of Fish and Game must be submitted.
- 5. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
- 6. **JURISDICTIONAL CONFLICTS:** If the response to question number 6 on page 3 is "Yes", complete and sign the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf.
- 7. **Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM AND EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES** (pages 7 and 8 of application).
- 8. **PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY** (page 9 of application).
- 9. Completed **SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM** (pages 10-12 of application) from **each** subject agency.
- 10. **LAFCO processing fees.** The San Diego LAFCO FEE SCHEDULE is available at <http://www.sdlafco.org/document/feeschedule.pdf>, or contact LAFCO staff.

SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
2550 Fifth Ave. · Suite 725 · San Diego, CA 92103
(619) 321-3380 · www.sdlafco.org

RECEIVED

MAY 01 2023

CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

SAN DIEGO LAFCO

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to all items in this form, indicating "NA" when an item does not apply.

Table with 2 columns: SUBJECT AGENCY(IES) (City or Special District) and PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.).

As part of this application, the City of n/a or the n/a District, Escondido North LLC (the applicant), and/or the n/a (real party in interest): subject landowner and/or registered voter agrees to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul San Diego LAFCO's review, approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application.

I acknowledge that annexation to the city of Escondido or the n/a district may result in the imposition of taxes, fees and assessments existing within the (city or district) on the effective date of annexation. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot proceeding or an election on those existing taxes, fees and assessments.

Agreed:

Signature: [Handwritten Signature]

Dylan Bird, as Manager of Argus Flatiron Management LLC, Manager of Escondido North LLC

Date: 4/27/23

Print/Type Name:

Address: 30200 Rancho Viejo Road, Suite B, San Juan Capistrano, CA 92675

Telephone: 949 212-2591

Property Address: Area A: 916 Stanley Ave., Escondido, CA 92026. Area B: no address, Area C: 508 Stanley Ave., Escondido, CA 92026

Cross Street(s): Area A: Stanley Ave. & Weiss Way. Area B: N. Ash St. & Stanley Ave. Area C: Stanley Ave. & Vista Ave.

Assessor Parcel Number(s):

224-141-24, 224-130-10, & 224-130-45

Acres: ~7.4 combined

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: n/a

Address: n/a

Telephone: (n/a)

A. PROPOSAL DESCRIPTION/JUSTIFICATION

1. Explain in detail why the proposal is necessary *at this time* (e.g., condition of an approved tentative map, an existing structure requires new services, etc.).
Area A has an approved tentative map which requires annexation, and Area B has a tentative map expected to be approved 6/21/23 w/annexation required. Area C is a neighbor that also wanted to annex.
2. Describe the use of *developed* property within the proposal territory, including details about existing structures. Describe anticipated development of *vacant* property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur.
Area A is developed with 2 single family residences which will remain after annexation.
Area B is vacant and will be developed with 20 single-family homes serviced by one cul-de-sac street, along with sewer, other utilities, and a biofiltration basin. Area C has 1 SFR to remain.
Development may start in first quarter 2024.
3. Describe the topography and physical features of the proposal territory, as well as its general location in relation to communities, major freeways/highways, roads, etc.
The topography of both areas is mostly flat with some undulating slopes. They are surrounded by parcels with existing residential housing. Located along Stanley Ave., east of I-15 and east of North Broadway, west of Conway Dr.
4. How many residents live within the proposal territory? approx. 8
5. How many of these residents are registered voters? 4
6. Are there any jurisdictional issues associated with the LAFCO proposal or pending LAFCO action?
 NO YES (If yes, please complete the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf)

B. LAND USE INFORMATION

GENERAL PLAN AND ZONING:

If the proposal territory is *not* within an incorporated city, San Diego County General Plan and zoning information may be obtained by calling (858) 565-5981 or toll-free (888) 267-8770 with the Assessor Parcel Number(s) of the subject property. If the proposal territory is within a city, please call the appropriate city's planning department for General Plan and zoning information.

1. COUNTY:

- (a) The territory is within the North County Metro - County of San Diego community plan.
- (b) The County General Plan or community plan designation and allowed density: Spaced Rural Residential 1000
- (c) Current County zoning and allowed density: RS, 1-acre

2. CITY:

(a) The territory is within the general plan area for the City of Escondido

(b) The City General Plan land use designation and allowed density: Areas A & C: Estate II, 2 du/ac.;
Area B: Suburban, 3.3 du/ac.

(c) Current City zoning and allowed density: n/a

(d) Current City rezoning and allowed density: Area A: PZ-RE-20, 20k lot min.;
Areas B & C: PZ-R-1-10, 10k lot min.

3. Indicate below *all* permits or approvals that will be needed by the County or any city to complete the project. If already granted, please note the date of approval and attach a copy of each resolution of approval. If approval is pending, please note the anticipated approval date.

Type of Approval or Permit	File No.	Approval Date	Is Resolution Attached?
Tentative Subdivision Map - Area A	PL21-0269	2/8/23	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Tentative Parcel Map	n/a	n/a	<input type="checkbox"/> YES <input type="checkbox"/> NO
Major Use Permit	n/a	n/a	<input type="checkbox"/> YES <input type="checkbox"/> NO
City/County General Plan Amendment	n/a	n/a	<input type="checkbox"/> YES <input type="checkbox"/> NO
City Rezoning	86-95-PZ	1/21/87	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
County Rezone	n/a	n/a	<input type="checkbox"/> YES <input type="checkbox"/> NO
(Other) Tentative Sub. Map - Area B	PL22-0134	6/21/23	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

4. Describe the land uses surrounding the proposal territory (e.g., residential, commercial, agricultural, industrial, open space, etc.).

North: Residential East: Residential
 South: Residential West: Residential

5. Indicate with a if any portion of the proposal territory contains the following:

- Agricultural land uses Agricultural Preserve
- Open Space Easement Slopes greater than 25%
- Sewer moratorium area Coastal Permit Zone
- Unusual features such as: _____

6. For city annexation proposals: Is any part of the proposal territory under a Williamson Act contract? If yes, please contact the LAFCO office for special instructions regarding petition/resolution of application requirements. YES NO

C. PUBLIC SERVICES INFORMATION

SEWER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public sewer service? YES NO
 (b) *If yes*, which agency? _____
2. (a) Is a developed parcel in need of annexation due to failed septic system? YES NO
 (b) *If yes*, include a copy of any letters from the San Diego County Department of Environmental Health or private septic-system company.
 (c) *If no*, is annexation for sewer service part of this application? YES NO
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? City of Escondido
4. (a) Has the agency that will be providing service issued a letter of sewer availability? YES NO
 (b) *If yes*, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) Will the agency be prepared to furnish sewer service upon annexation? YES NO
 (b) *If no*, please explain: Subsequent to annexation, final engineering will need to be approved by the city of Escondido and the infrastructure will need to be built.

WATER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public water service? YES NO
 (b) *If yes*, which agency? Rincon del Diablo Municipal Water District (Parcels are in city's Improvement District E)
2. Is a well or other on-site water system currently used on the property? YES NO
3. Is an on-site system proposed to be used when the property is developed? YES NO
4. (a) Is annexation for water service part of this application? YES NO
 (b) *If yes*, which district or city would serve the territory if this jurisdictional change is approved? City of Escondido
 (c) Will the agency that will be providing service be prepared to furnish water service upon annexation? YES NO
5. (a) Has the agency that will be providing service issued a letter of water availability? YES NO
 (b) *If yes*, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES: NOTE: Complete the following section *only* if annexation to a fire protection service provider is proposed—or if the current fire protection service provider is proposed to change.

1. (a) Is the proposal territory *currently* within an agency that provides fire protection? YES NO

(b) *If yes*, provide name and address/location of current fire service provider
Rincon del Diablo Municipal Water District (Parcels are in city's

Improvement District E)

(c) Provide estimated response times to the proposal territory:

priority varies minutes; non-priority varies minutes

2. Is annexation for fire protection service part of this application? YES NO

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

City of Escondido

(a) Location/address of the proposed fire service provider: _____
1163 North Centre City Parkway, Escondido , CA 92026

(b) Estimated response times to the proposal territory:

Priority varies minutes; non-priority varies minutes

POLICE PROTECTION SERVICES: NOTE: Complete the following section *only* if the police protection provider is proposed to change.

1. Which police agency *currently* serves the proposal territory?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory: priority _____ minutes; non-priority _____ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

CAMPAIGN CONTRIBUTION DISCLOSURE PROVISIONS

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Diego LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party¹ or agent² while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.

2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.

3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

¹ "Party" is defined as any person who files an application for, or is the subject of, a proceeding.

² "Agent" is defined as a person who represents a party in connection with a proceeding. If an individual acting as an agent also is acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar entity or corporation, both the individual and the entity or corporation are agents. When a closed corporation is a party to a proceeding, the majority shareholder is subject to these provisions.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated.

Names of current LAFCO commissioners are available at <http://www.sdlafco.org/document/CommRoster.pdf>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Diego LAFCO at 2550 Fifth Ave., Suite 725, San Diego, CA 92103, (619) 321-3380.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

(a) Proposed change(s) of organization: _____
Annexation to City of Escondido &
Detachment from CSA 135

(b) Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1. **John Kaye**

2. _____

(c) Date and amount of contribution:

Date **May 17, 2022** Amount \$ **350.00**
Date _____ Amount \$ _____

(d) Name of commissioner to whom contribution was made:

1. **Jim Desmond**

2. _____

(e) I certify that the above information is provided to the best of my knowledge.

Printed Name Dylan Bird, as Manager of Manager of Escondido North LLC

Signature 
Date **4/25/23** Phone _____

To be completed by LAFCO:

Proposal:
Ref. No.

DISCLOSURE OF POLITICAL EXPENDITURES

Effective January 1, 2008, expenditures for political purposes, which are related to a change of organization or reorganization proposal that will be or has been submitted to LAFCO, are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

Please carefully read the following information to determine if reporting and disclosure provisions apply to you.

- Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 (Government Code Section 81000 et seq.) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
- Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be filed with the Secretary of State and the appropriate city or county clerk. Copies of the report must also be filed with the Executive Officer of San Diego LAFCO.
- A roster of current San Diego LAFCO commissioners is available from the LAFCO office: 2550 Fifth Ave, Suite 725, San Diego, CA 92103, (619) 321-3380, or from <http://www.sclafco.org/document/CommRoster.pdf>

EVALUATION CHECKLIST FOR DISCLOSURE OF POLITICAL EXPENDITURES

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 et seq. apply to you. For further assistance contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

3. If you have filed a report in accordance with FPPC requirements, has a copy of the report been filed with San Diego LAFCO?

Yes

No

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve *uninhabited*¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of **100%** of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 12 registered voters is considered *uninhabited* (Government Code 56045).

The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)

City of Escondido

Annexation to: 1. _____
2. _____
3. _____

CSA No. 135

Detachment from: 1. _____
2. _____
3. _____

<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1. _____	<i>Charles R. Tate, PRESIDENT</i> Charles R. Tate as President of LoanPro Network, Inc.	224-141-24-00
2. _____		
3. _____		
4. _____		
5. _____		

Attach additional sheets if necessary

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve *uninhabited*¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of 100% of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 12 registered voters is considered *uninhabited* (Government Code 56045).

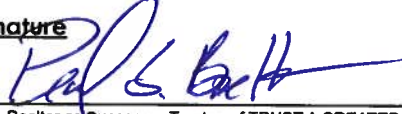
The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)
City of Escondido

- Annexation to: 1. _____
2. _____
3. _____

CSA No. 135

- Detachment from: 1. _____
2. _____
3. _____

	<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1.	4/13/2023		224-130-10-00
2.			
3.			
4.			
5.			

Pearl S. Boelter as Successor Trustee of TRUST A CREATED UNDER THE HOFTIEZER FAMILY TRUST DATED 8/5/1977, AS AMENDED AND RESTATED ON 5/27/2011, AND AS FURTHER AMENDED BY EXERCISE OF POWERS GRANTED UNDER INTER VIVOS TRUST EXECUTED ON 7/12/2013

Attach additional sheets if necessary

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve *uninhabited*¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of 100% of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 12 registered voters is considered *uninhabited* (Government Code 56045).

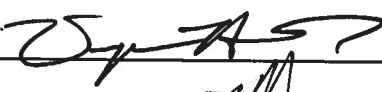
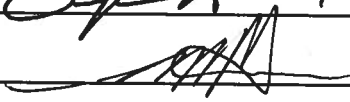
The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)
City of Escondido

Annexation to: 1. _____
2. _____
3. _____

CSA No. 135

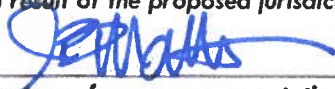
Detachment from: 1. _____
2. _____
3. _____

	<u>Date</u>	<u>Signature</u>		<u>Assessor's Parcel Number(s)</u>
1.	4/12/23		Vaughn E. Howard	224-130-45-00
2.	4/12/23		Mae Madge Howard	"
3.				
4.				
5.				

Attach additional sheets if necessary

SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM

NOTE: A copy of this form must be completed and signed by each local agency that will gain or lose territory as a result of the proposed jurisdictional boundary change. Attach additional sheets if necessary.

 <hr/> Signature of agency representative Adjunct Planning Consultant	Greg Mattson, AICP <hr/> Print name
Title 760-839-4399 <hr/> Telephone	September 6, 2022 <hr/> Date

A. JURISDICTIONAL INFORMATION:

Name of agency:
City of Escondido

1. Is the proposal territory within the agency's sphere of influence? Yes No
2. Upon annexation, will the proposal territory be included within an assessment district and be subject to assessment for new or extended services? Yes No
3. Does the agency have plans to establish any new assessment district that would include the proposal territory? Yes No
4. Will the proposal territory assume any existing bonded indebtedness? Yes No
 If yes, indicate any taxpayer cost: \$ _____
5. Will the proposal territory be subject to any special taxes, benefit charges, or fees? Yes No
 If yes, please provide details of all costs: New construction required to annex into CFD No. 2020-1 for ongoing city services, annually assessment
6. Is the agency requesting an exchange of property tax revenues as a result of this proposal? Yes No
7. Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution? Yes No
8. FOR CITY ANNEXATIONS: Does the proposal territory contain existing commercial development that generates retail sales of ten million dollars or more per year? Yes No
9. FOR CITY ANNEXATIONS: If any part of the proposal territory is under a Williamson Act contract, please contact the LAFCO office for special instructions regarding petition or resolution of application requirements.

EXPEDITED PROPOSAL PROCESSING: Processing of jurisdictional boundary change proposals can be expedited by approximately 60 days if all affected landowners consent to the waiver of protest and termination (conducting authority) proceedings and subject agencies do not oppose the waiver. If you do NOT want to waive these proceedings, then attach a written statement to the subject agency information form containing a signature, date, and declaration of opposition to a waiver of such proceedings.

B. SEWER SERVICE:

1. What is the agency's current wastewater treatment capacity (expressed in million gallons per day and equivalent dwelling units)? 18 MGD
72,000 EDU's
2. What is the average volume of influent currently being treated by the agency (expressed in million gallons per day and equivalent dwelling units)? 12.5 MGD
50,000 EDU's
3. (a) What is the agency's peak flow volume (expressed in million gallons per day)?
22.2 MGD
(b) What is the agency's peak flow capacity (expressed in million gallons per day)?
36 MGD
(c) Has the agency exceeded the flow (peak) capacity within the past two years?
(d) *If yes*, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: _____
 YES NO
4. (a) Has the agency issued a letter of sewer availability for the proposal territory? YES NO
(b) *If yes*, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) How many future equivalent dwelling units have been reserved or committed for proposed projects? Approximately 1000 EDU
(b) Can all projects that have received commitments of sewer availability (e.g., "will serve letters") be accommodated with planned capacity? YES NO
6. (a) Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposal territory? YES NO
(b) *If yes*, please specify the proposal territory's estimated sewer demand and the agency's available sewer capacity (expressed in million gallons per day and equivalent dwelling units):
0.0052 MGD/26 EDU's
5.5 MGD/22,000 EDU's
(c) *If no*, please describe the agency's plans to upgrade capacity to resolve any capacity related issues: _____
7. Will the proposal territory be annexed to a sewer improvement district? YES NO
8. (a) The distance for connection of the proposal territory to the agency's existing sewer system is 25' feet.
(b) Describe the location of the connection to the agency's existing sewer system:
Area A: in Conway Dr. & another at Lehner Ave. Area B: also in Lehner Ave.

C. WATER SERVICE:

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposal territory? YES NO
- (b) *If yes*, describe the proposal territory's estimated water demand and the agency's available water supply and capacity (expressed in acre-feet or million gallons per day):
Demand = 14,040 GPD (26 homes X 540 GPD); 5.744 AF/yr
- (c) *If no*, what plans does the agency have to increase its water capacity?

2. Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development. Indicate the total cost of these improvements and method of financing (e.g., general property tax, assessment district, landowner or developer fees): Connections to exist water mains in Stanley, Lehner, and Conway for Area A, and
to exist mains in N. Ash St. for Area B. Improvements to be funded by developer. Cost TBD by developer.
3. (a) Has the agency issued a letter of water availability for the proposal territory? YES NO
- (b) *If yes*, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
4. (a) The distance for connection of the proposal territory to the agency's existing water system is 25-feet feet.
- (b) Describe the location of the connection to the agency's existing water system:
Area A: Lehner, and another at Stanley & Conway. Area B: N. Ash & Stanley for one and another at Lehner.
5. (a) Is the agency currently under any drought-related conditions and/or restrictions? YES NO
- (b) *If yes*, describe the conditions and specify any related restrictions:

6. (a) Will the proposal territory utilize reclaimed water? YES NO
- (b) *If yes*, describe the proposal territory's reclaimed water use and the agency's available reclaimed water supply and capacity (expressed in acre-feet or million gallons per day):

- (c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is _____ feet.
- (d) Describe the location of the connection to the agency's existing reclaimed water system: _____
- (e) *If no*, has the agency considered availability of reclaimed water to the proposal territory? YES NO
- (f) What restrictions prevent use of reclaimed water? Lack of infrastructure
in project area.
7. Will the proposal territory be annexed to an improvement district? YES NO

RESOLUTION NO. 2023-06R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A TENTATIVE SUBDIVISION MAP AND GRADING EXEMPTION FOR A 56-UNIT RESIDENTIAL SUBDIVISION LOCATED AT 916, 942, AND 943 STANLEY AVENUE, AND ODD-NUMBERED ADDRESSES BETWEEN 2005 – 2175 CONWAY DRIVE; AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION FOR INITIATION OF PROCEEDINGS FOR THE ANNEXATION AND REORGANIZATION OF A 2.01 ACRE PARCEL LOCATED AT 916 STANLEY DRIVE; AND ADOPTING A MITIGATED NEGATIVE DECLARATION PREPARED FOR THE PROJECT

CASE NOS. PL21-0269, PL21-0278, PL22-0584

WHEREAS, Escondido North, LLC (“Applicant”) filed a land use development application, Planning Case Nos. PL21-0296, PL21-0277, and PL22-0584 (“Application”), constituting a request for a Tentative Subdivision Map and Grading Exemption for a 56-unit residential project. The project includes 47 residential lots comprised of 46 single-family lots, two of which have existing homes, and one multi-family lot which would accommodate five duplexes. An Annexation is also requested for a 2.01-acre portion of the project site that is currently in the County of San Diego. The request includes a density bonus and would provide 10 affordable housing units (“Project”). The Project site is located along Conway Drive on both sides of Stanley Avenue and north of Lehner Avenue, in the R-1-10 (single-family residential, 10,000 square foot minimum lot size) and RE-20 (estate residential) zones; and

WHEREAS, the Project site consists of seven parcels totaling 14.07 gross acres located at 916, 942, and 943 Stanley Avenue, and odd-numbered addresses between 2005 – 2175 Conway Drive (APNs 224-141-23-00, 224-141-24-00, 224-141-25-00, 224-142-30-00, 224-142-31-00, 224-142-32-00, and 224-142-33-00), and is all that real property described in Exhibit "A," which is attached hereto and made a part hereof by this reference as though fully set forth herein (“Property”); and

WHEREAS, the portion of the Project site which is subject to annexation into the City of Escondido is located at 916 Stanley Avenue (APN 224-141-24-00), and is all that real property described in Exhibit "B" and depicted in Exhibit "C," both of which are attached hereto and made a part hereof by this reference as though fully set forth herein ("Annexation Property"); and

WHEREAS, the Application was submitted to, and processed by, the Planning Division of the Development Services Department in accordance with the rules and regulations of the Escondido Zoning Code and the applicable procedures and time limits specified by the Permit Streamlining Act (Government Code section 65920 et seq.) and the California Environmental Quality Act (Public Resources Code section 21000 et seq.) ("CEQA"); and

WHEREAS, single-family residential development is a permitted use within the R-1-10 & RE-20 zones, subject to the approval of a Tentative Subdivision Map, in accordance with Chapter 32 of the Escondido Municipal Code and Article 6 of the Escondido Zoning Code; and

WHEREAS, the ability to construct multi-family residential units on the Property has been requested as a density bonus incentive; and

WHEREAS, the annexation/reorganization is consistent with the Sphere of Influence of the City of Escondido and affected districts; and

WHEREAS, the annexation of the Property into the City of Escondido would also include concurrent detachment from County Service Area ("CSA") No. 135 (San Diego Regional Communications System) and exclusion from the Rincon Del Diablo Improvement District "E;" and

WHEREAS, the City Council of the City of Escondido desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act, Division 3, commencing with Section 56000 of the California Government Code for the proposed annexation/reorganization; and

WHEREAS, pursuant to CEQA and the CEQA Guidelines (Title 14 of California Code of Regulations, Section 15000 et. seq.), the City is the Lead Agency for the Project, as the public agency with the principal responsibility for approving the proposed Project; and

WHEREAS, the Planning Division studied the Application, performed necessary investigations, prepared a written report, and hereby recommends approval of the Project as depicted on the plan set shown in Exhibit "D," which is attached hereto and made a part hereof by this reference as though fully set forth herein; and

WHEREAS, a Draft Initial Study and Mitigated Negative Declaration ("IS/MND") was prepared, circulated, and notice was made of its availability for public review and comment during the period from October 28, 2022, to November 17, 2022; and

WHEREAS, during the 20-day public comment period of the Draft IS/MND, the City consulted with and requested comments from responsible and trustee agencies, other regulatory agencies, and others. The City subsequently analyzed and considered any and all comments received during this public review comment period and have determined that they did not contain any significant new information within the meaning of CEQA Guidelines; and

WHEREAS, a Final IS/MND, attached as Exhibit "E" and incorporated by this reference, was subsequently prepared, which is comprised of any and all public comment letters received during the public review period, responses to comments, corrections/additions to the Draft IS/MND, and revisions and additions to the appendices or other referenced documents; and

WHEREAS, in addition to the Final IS/MND, a Mitigation Monitoring Reporting Program (“MMRP”) has been prepared for the Project, attached as Exhibit “F” and incorporated herein by this reference, to ensure compliance with the required mitigation measures or project revisions during project implementation; and

WHEREAS, The Planning Commission of the City of Escondido held a duly noticed public hearing on December 13, 2022, as prescribed by law, at which interested persons were given the opportunity to appear and present their views with respect to the Application. Evidence was submitted to and considered by the Planning Commission, including written and oral testimony from City staff, interested parties, and the public. Following the public hearing the Planning Commission adopted Planning Commission Resolution No. 2022-15, which recommended that the City Council approve the Project; and

WHEREAS, the City Council of the City of Escondido held a duly noticed public hearing on February 8, 2023, as prescribed by law, at which time the City Council received and considered the reports and recommendation of the Planning Division and Planning Commission, and gave all person’s full opportunity to be heard and to present evidence and testimony regarding the Project. Evidence was submitted to and considered by the City Council, including, without limitation:

- a) Written information including plans, studies, written and graphical information, and other material, submitted by the Applicant;
- b) Oral testimony from City staff, interested parties, and the public;
- c) The City Council staff report, dated February 8, 2023, with its attachments as well as City staff’s recommendation on the Project, which is incorporated herein as though fully set forth herein; and
- d) The Planning Commission’s recommendation; and

- e) Additional information submitted during the public hearing; and

WHEREAS, the City Clerk, whose office is located at 201 North Broadway, Escondido CA 92025, is hereby designated as the custodian of the documents and other materials which constitute the record of proceedings upon which the City Council's decision is based, which documents and materials shall be available for public inspection and copying in accordance with the provisions of the California Public Records Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California as follows:

1. That the above recitations are true.
2. That the City Council has reviewed and considered the Final IS/MND prepared for the Project in conformance with CEQA, the staff report dated February 8, 2023, and testimony given at the public hearing, and makes the environmental determinations included with Findings of Fact attached as Exhibit "G" hereto and incorporated by this reference. The Final IS/MND adequately addresses all environmental issues associated with the Project, and the Project would not result in any significant impacts to the environment. Approval of this resolution includes the adoption of the Final IS/MND.
3. That the MMRP addresses mitigation for potential project-related impacts and the report will sufficiently mitigate and assign ongoing responsibility for carrying out mitigation responsibilities which are appropriate to address and mitigate project-related impacts.
4. That the Findings of Facts, attached as Exhibit "G" hereto and incorporated by this reference, were made by the City Council, and upon their consideration along with the staff reports, public testimony presented at the hearing, and all other oral and written evidence on this project, this City Council approves the Project, subject to the Conditions of Approval set forth in Exhibit "H" hereto and incorporated

by this reference. The City Council expressly declares that it would not have made this decision except upon and subject to each and all of said conditions, each and all of which shall run with the land and be binding upon the Applicant, the owner, and all subsequent owners of the Property, and all persons who use the Property for the use permitted hereby.

5. That this Tentative Subdivision Map shall be null and void unless a Final Map, conforming to the Tentative Subdivision Map and all required conditions, is filed within three (3) years of the effective date of this resolution, or unless an Extension of Time is granted pursuant to Section 66452.6 of the California Government Code.

6. That application and proposal is hereby made to the Local Agency Formation Commission of the County of San Diego for the annexation/reorganization described below. This proposal is made pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act, as amended, commencing with Section 56000 of the Government Code of the State of California. The Local Formation Commission of the County of San Diego is hereby requested to undertake proceedings for the annexation/reorganization proposed herein. The following changes of the organization are proposed:

a. Annexation of the subject territory to the City of Escondido as legally described and depicted in Exhibits "B" and "C."

b. Detachment of the subject territory from CSA No. 135 (San Diego Regional Communication Systems) and exclusion from the Rincon Del Diablo Improvement District "E."

7. That the City Council of the City of Escondido hereby requests the Local Agency Formation Commission to designate the City of Escondido as conducting agency, and that the City of Escondido be authorized to order the proposed annexation.

8. That the City Clerk of the City of Escondido is hereby authorized and directed to file a certified copy of this resolution with the applicable fees required by Section 54902.5 of the California Government Code to the executive officer of the Local Agency Formation Commission of San Diego County.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 66020(d)(1):

1. NOTICE IS HEREBY GIVEN that the project is subject to certain fees described in the City of Escondido's Development Fee Inventory on file in the Development Services Department. The project is also subject to dedications, reservations, and exactions, as specified in the Conditions of Approval.

2. NOTICE IS FURTHER GIVEN that the 90-day period during which to protest the imposition of any fee, dedication, reservation, or other exaction described in this resolution begins on the effective date of this resolution and any such protest must be in a manner that complies with Section 66020.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof the 8th day of FEBRUARY, 2023 by the following vote to wit:

AYE : Councilmembers: GARCIA, GARCIA, MARTINEZ, MORASCO

NOES : Councilmembers: WHITE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:
Dane White
19FFE5DB8C3B409
DA NE WHITE, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:
Zack Beck
A58535D0BDC1430...
ZACK BECK, City Clerk of the
City of Escondido, California

RESOLUTION NO. 2023-06R

EXHIBIT "B"

LEGAL DESCRIPTION OF ANNEXATION AREA PL21-0269, PL21-0278, PL22-0584

Real property in the unincorporated area of the County of San Diego, State of California, described as follows:

ALL THAT PORTION OF LOT 4 IN BLOCK 415 OF THE RANCHO RINCON DEL DIABLO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 723, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, AUGUST 13, 1892, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 4; THENCE NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT A DISTANCE OF 250.50 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF SAID LOT 4, 250.50 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 4; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 350.00 FEET TO THE POINT OF BEGINNING.

APN: 224-141-24-00

EXHIBIT "G"
FINDINGS OF FACT
PL21-0269, PL21-0278, PL22-0586

Environmental Determination(s)

1. Pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et. seq.) ("CEQA"), and its implementing regulations (14 C.C.R. § 15000 et seq.) ("CEQA Guidelines"), the City of Escondido ("City") is the Lead Agency for the project ("Project"), as the public agency with the principal responsibility for approving the Project.
2. An Initial Study/Mitigated Negative Declaration ("IS/MND") for the Project was prepared, published, circulated and reviewed in accordance with the requirements of CEQA, the CEQA Guidelines, and the local environmental procedures. The decision-making body of the Lead Agency shall adopt the proposed IS/MND only if:
 - It finds on the basis of the whole record before it that there is no substantial evidence the project will have a significant effect on the environment, and
 - The IS/MND reflects the Lead Agency's independent judgment and analysis.
3. The Final IS/MND and Mitigation Monitoring and Reporting Plan ("MMRP"), collectively constitute the environmental documentation under and pursuant to CEQA, the CEQA Guidelines, and local environmental procedures relating to the project, and shall be referred to herein collectively as the "CEQA Documents."
4. The Planning Commission has received the material record supporting all of the CEQA documents for the project. The Planning Commission, finds the following:
 - The Final IS/MND reflects the City's independent judgment and analysis.
 - That there is no substantial evidence that the Project or any of its aspects could result in significant adverse impacts, or that cannot be fully mitigated. All previously identified impacts have been mitigated to less than a significant level.
 - The Planning Commission also finds that the mitigation measures listed in the MMRP will not cause any potentially significant effects.
 - The Final IS/MND has been completed in compliance with CEQA and it constitutes a complete, accurate, adequate and good faith effort at full disclosure under CEQA.
5. Mitigation measures are recommended to be incorporated as part of the adoption of the Mitigated Negative Declaration. The recommended approval of the Project also includes the adoption of the MMRP, attached hereto this Resolution.

6. Pursuant to Public Resources Code Section 21081.6(a)(2) and CEQA Guidelines section 15091(e), all documents and other materials which constitute the record of proceedings are located at the City of Escondido, City Hall. The City Clerk, whose office is located at 201 North Broadway, Escondido CA 92025, is hereby designated as the custodian of the documents and other materials which constitute the record of proceedings upon which the Planning Commission's decision is based, which documents and materials shall be available for public inspection and copying in accordance with the provisions of the California Public Records Act.

Tentative Subdivision Map Determination(s)

1. The location, design, and residential density of the proposed 47-lot residential subdivision is consistent with the goals and policies of the Escondido General Plan because residential development is permitted and encouraged within the Suburban and Estate II land-use designation. As a result of a concession requested pursuant to State Density Bonus Law and the Escondido Zoning Code, the inclusion of multi-family dwelling on property with an Estate II land use designation does not necessitate an amendment to the General Plan, nor does the increase in density beyond what would otherwise be allowed in the Suburban and Estate II General Plan land use designations. Further, the proposed map would be in conformance with goals and policies in the Housing Element of the General Plan which detail the need to plan for quality, managed, and sustainable growth, and provide a range of housing opportunities for all income groups and populations with special needs. The provision of 10 units for low-income households assists the City in meeting its affordable housing goals established by the Regional Housing Needs Assessment.
2. The proposed subdivision as designed encourages a compact, efficient residential form that promotes a variety of mobility forms, supports nearby commercial establishments and takes advantage of infrastructure improvements.
3. The Project site is physically suitable for the proposed density of development because the property is within the urban fringe area developed with a mixture of similar single-family residential subdivisions. The Suburban land use designation allows up to 3.3 dwelling units per acre and the Estate II land use designation allows up to 2.0 dwelling units per acre. While the subdivision would be developed at a net density of approximately 4.43 dwelling units per net acre, it is consistent with State Density Bonus Law and applicable provisions of the Escondido Zoning Code. Additionally, the subdivision has been designed to provide residential uses in a suburban setting, consistent with the surrounding area. Any deviations from zoning standards are consistent with State Density Bonus Law and the Escondido Zoning Code and are required to accommodate the affordable housing development.
4. The approval of the proposed Project would be based on sound principles of land use and is well integrated with its surroundings near similar residentially developed properties because adequate access, utilities, stormwater detention and landscaping would be provided, as

detailed in the staff report. The Project also would not be out of character for the area, which contains other suburban residential development. All vehicular traffic generated by the Project will be accommodated safely, enhanced with public improvements and without degrading the level of service on the adjoining streets or intersections.

5. The Project would not result in the destruction of desirable natural features, nor be visually obstructive or disharmonious with surrounding areas because the site is not located on a skyline or intermediate ridge. The proposed map has been designed to minimize impacts associated with grading, and findings required to allow exemptions from slope provisions of the Grading and Erosion Control Ordinance of the Escondido Zoning Code have been made.
6. The Project site is physically suitable for this proposed type of residential development and density of development. Approval of the Tentative Subdivision Map would not violate the requirements, goals, policies, or spirit of the General Plan. The site is suitable for this residential type of development and density as detail in the Planning Commission staff report dated December 13, 2022, and noted in the above sections.
7. The Project would be compatible with the surrounding uses because the subject site is within a suburban residential area developed with a variety of residential developments of varying density, lot sizes and design. All utilities will be installed underground, with water and sewer service provided by the City of Escondido. All vehicular traffic generated by the Project will be accommodated safely and without degrading the level of service on the adjoining streets or intersections. The proposed Project also would not result in a significant impact to biological or natural resources.
8. The design of the subdivision and the type of improvements are not likely to cause serious public health problems. The Project's proposed street alignments, grades and widths; drainage and sanitary facilities and utilities, including alignments and grades thereof; location and size of all required easements and rights-of-way; lot configuration; traffic and emergency access; and grading; were all reviewed for compliance with relevant City policies and codes. The Project would not cause substantial environmental damage, would avoid injury to fish or wildlife, or their habitat due to the site's location. In addition, the site does not contain any sensitive or protected biological or natural resources.
9. The design of the Tentative Subdivision Map and the type of improvements will not conflict with easements of record, or easements established through court judgments, or acquired by the population at large, for access through, or use of property within the proposed map because any existing easements and improvements will either be accommodated within the project design; be quitclaimed prior to recordation of the map; or alternate provisions provided.
10. The design of the Tentative Subdivision Map has provided, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision. The lot sizes and the subdivision configuration provide opportunities for passive/solar heating.

11. All permits and approvals applicable to the proposed map pursuant to the Escondido Zoning Code and the Conditions of Approval, included as Exhibit "E" to this resolution, will have been obtained prior to the recordation of the Final Map.
12. The proposed Tentative Subdivision Map and associated permits will not conflict with regional or local housing goals and the proposed Project would be in conformance with General Plan Housing Goals and Policies to expand the stock of all housing; increase homeownership; plan for quality managed and sustainable growth; and encourage a compact, efficient urban form that promotes transit, supports nearby commercial establishments and takes advantage of infrastructure improvements. The proposed Project would not diminish the Quality-of-Life Standards of the General Plan as the Project would not materially degrade the level of service on adjacent streets or public facilities, create excessive noise, and adequate on-site parking, circulation and public services will be provided to the site.
13. In consideration of the above, the Project meets all of the requirements of section 66474 of the California Government Code, and the proposed map meets all of the requirements or conditions imposed by the Subdivision Map Act and the Escondido Municipal Code, including the Escondido Zoning Code, as detailed in the staff reports, the Escondido General Plan, and above findings.

No Net Loss

1. The purpose of Government Code section 65863 ("No Net Loss Law"), is to ensure development opportunities remain available throughout the planning period to accommodate a jurisdiction's regional housing need allocation ("RHNA"), especially for lower- and moderate-income households. Jurisdictions also cannot approve new housing at significantly lower densities or at different income categories than was projected in the Housing Element without making specific findings and identifying other sites that could accommodate these units and affordability levels "lost" as a result of the approval.
2. The Project site contains seven parcels, three of which are identified in the Housing Element's suitable sites inventory. Those sites contain nine existing dwelling units and are capable of accommodating an additional six units. While the Project would demolish the nine existing units, as well as four additional units on parcels not identified in the suitable sites inventory, it would construct 54 new units for a net increase of 41 units. Geographically, at least 31 of the new units, including the 10 affordable units, will be on the three suitable sites inventory parcels. Therefore, the Project would result in no net loss pursuant to the Government Code.
3. The Project would assist the City in meeting its RHNA by providing more units than identified for the Project site in the suitable sites inventory, including 10 affordable housing units where none are identified.

Grading Exemption

1. The Project includes a request for a Grading Exemption for two fill slopes greater than 10 feet in height which are closer than 50 feet to a property line, as well as a cut-slope greater than 2:1 which has been determined by the Director to have a potential impact on adjacent properties. Because the Project includes a request for various waivers, as permitted by Density Bonus Law and the Escondido Zoning Code, the only finding that must be made is related to health and safety considerations due to slope stability. The preliminary geotechnical report prepared for the Project has indicated that the slopes do not pose a health and safety risk. Detailed plans and technical reports will be reviewed by the City as part of the grading plan submittal to ensure that the information contained in the preliminary geotechnical report is adequately incorporated into the final design, and all slopes would be landscaped in accordance with the zoning code.

Annexation Determinations:

1. The proposed annexation conforms to the annexation policies established in the Escondido General Plan Land Use and Community Form Element that are intended to guide development to meet present and future needs, achieve a vibrant community, and enhance the character of Escondido.
2. The one parcel proposed to be annexed into the City of Escondido is located within the Escondido Sphere of Influence and Escondido Planning Area.
3. The reorganization includes annexation to the City of Escondido and detachment from County Service Area No. 135 (Regional Communications). The parcels also will be excluded from the Rincon Municipal Water District, Improvement District "E" for fire services.
4. The City of Escondido will provide fire and emergency response to the proposed annexation territory. City sewer service would be available to the subject parcel. The City of Escondido Police Department, which already patrols the general area and works cooperatively with the San Diego County Sheriff, would assume responsibility for law enforcement. The annexation would not introduce new service providers to the area or become a departure from the existing pattern of service delivery in this portion of Escondido.
5. The proposed annexation will not conflict with any specific development plans for the properties. Development will be subject to the provisions of the Escondido General Plan and Zoning Code upon annexation.
6. The public health, safety and welfare will not be adversely affected by the proposed change because the parcel has already been pre-zoned as RE-20, consistent with its General Plan land use designation.

7. The requirements of the California Environmental Quality Act (CEQA) have been met because it was determined the Project will not have a significant effect on the environment because mitigation measures and project design features will avoid or reduce potential impacts to less than a significant level, as demonstrated in the Final IS/MND prepared for the project.



State of California - Department of Fish and Wildlife
2023 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (Rev. 01/01/23) Previously DFG 753.5a

RECEIPT NUMBER: 37-02/09/2023-0073
STATE CLEARING HOUSE NUMBER (If applicable) 202201000635

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY CITY OF ESCONDIDO	LEAD AGENCY EMAIL	DATE 02/09/2023
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COUNTY/STATE AGENCY OF FILING SAN DIEGO	DOCUMENT NUMBER 2023-NOD-0018
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PROJECT TITLE
 <CONWAY RESIDENTIAL SUBDIVISION CASE NOS. PL22-0269 PL21-0278 & PL220584

PROJECT APPLICANT NAME ESCONDIDO NORTH LLC	PROJECT APPLICANT EMAIL	PHONE NUMBER 949-233-4086
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PROJECT APPLICANT ADDRESS 30200 RANCHO VIEJO ROAD, SUITE B	CITY SAN JUAN CAPISTRANO	STATE CA.	ZIP CODE 92675
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PROJECT APPLICANT (Check appropriate box)

Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

<input type="checkbox"/> Environmental Impact Report (EIR)	\$3,839.25	\$	0.00
<input checked="" type="checkbox"/> Mitigated/Negative Declaration (MND)/(ND)	\$2,764.00	\$	2,764.00
<input type="checkbox"/> Certified Regulatory Program (CRP) document - payment due directly to CDFW	\$1,305.25	\$	0.00

Exempt from fee
 Notice of Exemption (attach)
 CDFW No Effect Determination (attach)
 Fee previously paid (attach previously issued cash receipt copy)

<input type="checkbox"/> Water Right Application or Petition Fee (State Water Resources Control Board only)	\$850.00	\$	0.00
<input checked="" type="checkbox"/> County documentary handling fee		\$	50.00
<input type="checkbox"/> Other		\$	0.00

PAYMENT METHOD

Cash
 Credit
 Check
 Other

TOTAL RECEIVED \$ 2,814.00

SIGNATURE X	AGENCY OF FILING PRINTED NAME AND TITLE San Diego County Clerk, KARINA ORTIZ, Deputy
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Payment Reference #: CHECK NO 191



Laurie Gordon
Associate Engineer
1501 S. Hale Avenue, Escondido, CA 92029
Phone: 760-839-6290 X 7040

April 20, 2023

Dylan Bird
30200 Rancho Viejo road, Suite B
San Juan Capistrano, CA 92675

Subject: Will Serve letter for the Conway Subdivision project – Conway Drive and Lehner Avenue (APN 224-141-23, 24, 25 & 224-142-30, 31, 32 & 33)

Dear Sir or Madam:

The City of Escondido (City) received a request for a will-serve letter for the Conway project (APN 224-141-23, 24, 25 & 224-142-30, 31, 32 & 33). The project consists of 7 existing lots with a proposal to construct 44 single-family units, 5 duplexes for 10 affordable units and retain 2 existing single-family residences. The majority of the site is within the City. 2.01 acres of the site is located in the County of San Diego and it is the City's understanding that the project proposes to annex these 2.01 acres into the City of Escondido boundaries. There are existing City public sewer facilities located in streets adjacent to the site. The following conditions of approval must be satisfied prior to obtaining sewer and water service from the City:

1. The proposed project shall complete the annexation process such that it lies within the City of Escondido boundaries.
2. The project shall be required to design and construct any onsite and offsite public sewer and water infrastructure necessary to serve the project in accordance with the City of Escondido Design Standards and Standard Drawings.
3. Plans for the proposed public sewer and water systems shall be submitted to the City for review and approval.
4. A public utility easement for sewer and water easement shall be granted to the City of Escondido for any proposed public sewer and water mains. The minimum easement width shall be 20-feet, or the full width of the private easement road, whichever is greater.

If you have any additional questions, please feel free to contact me at (760) 839-6290 X 7040.

Sincerely,

Laurie Gordon
Associate Engineer

Part IVb: LANDOWNER PETITION

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

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

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign <u><i>Charles R. Jada</i></u> President Print <u>LoanPro Network, Inc.</u>	224-141-24-00	4/19/23	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

**ANNEXATION AREA 'A' – APN 224-141-24
ANNEXATION TO CITY OF ESCONDIDO
GEOGRAPHIC DESCRIPTION**

ALL THAT CERTAIN REAL PROPERTY, IN RANCHO RINCON DEL DIABLO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT IS NORTH 33°55'18" WEST 33.00 FEET AND NORTH 56°00'52" EAST 13.00 FEET FROM THE CENTERLINE INTERSECTION OF STANLEY AVENUE AND WEISS WAY;

SAID POINT ALSO BEING ON THE CITY OF ESCONDIDO BOUNDARY LIMITS AND THE SOUTHWEST CORNER OF THAT CERTAIN PROPERTY IN QUITCLAIM DEED RECORDED FEBRUARY 28, 2008 AS DOCUMENT NO. 2008-0102907 OF SAN DIEGO COUNTY RECORDS;

THENCE FROM THE POINT OF BEGINNING:

COURSE 1. NORTH 33°55'18" WEST 350.00 FEET TO THE NORTHWEST CORNER OF SAID CERTAIN PROPERTY;

COURSE 2. NORTH 56°00'52" EAST 250.50 FEET TO THE NORTHEAST CORNER OF SAID CERTAIN PROPERTY;

COURSE 3. SOUTH 33°55'18" EAST 350.00 FEET TO THE SOUTHEAST CORNER OF SAID CERTAIN PROPERTY;

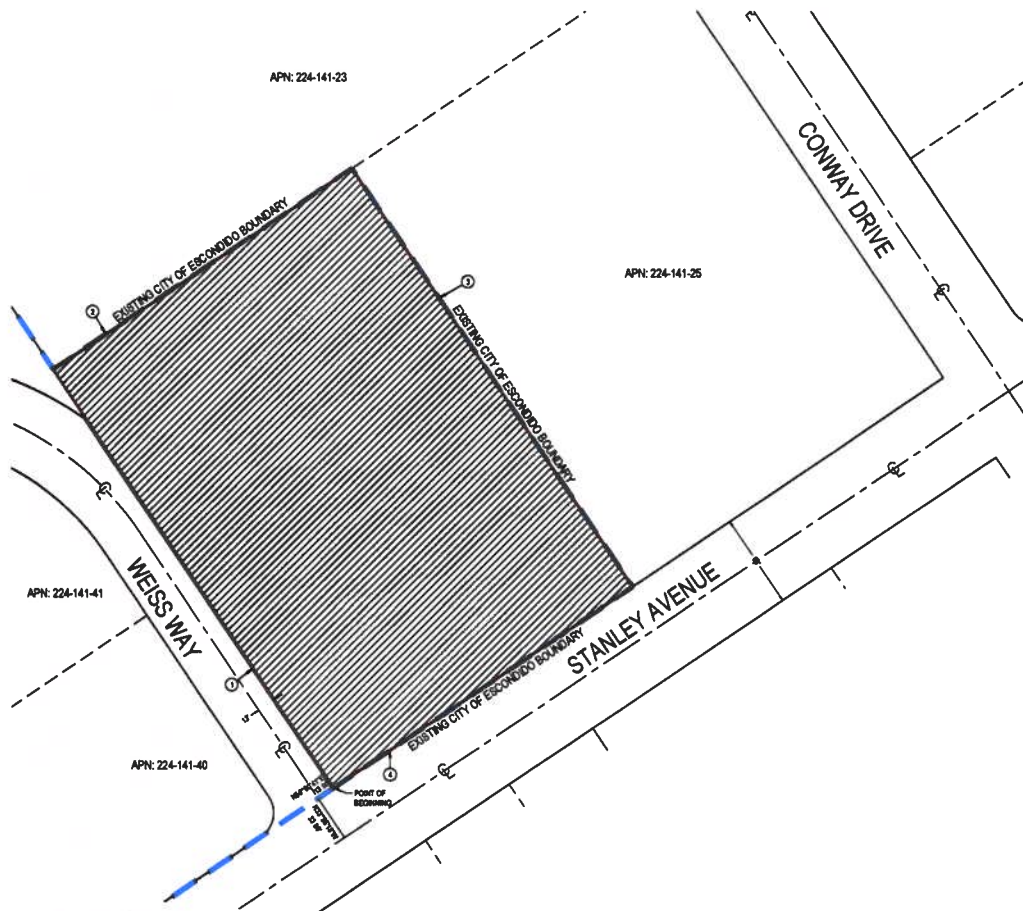
COURSE 4. SOUTH 56°00'52" WEST 250.50 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.01 ACRES, MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

ANNEXATION FROM COUNTY OF SAN DIEGO

APN: 224-141-24






VICINITY MAP
NOT TO SCALE

COURSES:

1. N 33°55'18" W 350.00'
2. N 56°00'52" E 250.50'
3. S 33°55'18" E 350.00'
6. S 56°00'52" W 250.50'

2.01 ACRES

-  EXISTING CITY OF ESCONDIDO BOUNDARY
-  PROPOSED CITY OF ESCONDIDO BOUNDARY
-  PROPOSED ANNEXATION AREA
APN 224-141-24
- BEING A PORTION OF RANCHO RINCON
DEL DIABLO, IN THE COUNTY OF SAN
DIEGO, STATE OF CALIFORNIA



DISCLAIMER:
FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED

PASCO LARET SUITER
& ASSOCIATES
San Diego | Encinitas | Orange County
Phone 949.663.6666 | www.plsaa.com

ANNEXATION AREA A

PLSA JOB NO. 3537
4/25/2023

SHEET 1 OF 1

DATE PLOTTED: 04/25/23 - PLOTTED BY: PLSA - FILE NAME: A:\PLOTS\2023\3537\3537_PLSA_PASA_AnnexationAreaA_PLSA.dwg

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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

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Priscilla Mumpower, Assistant Executive Officer

SUBJECT: Results of Protest Hearings | Proposed “Fallbrook PUD & Rainbow MWD Wholesaler Reorganizations” – Annexations to Eastern Municipal Water District (RO20-05 and RO20- 04)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of protest hearings held for two coordinated reorganization proposals filed by Fallbrook Public Utility District (PUD) and Rainbow Municipal Water District (MWD). The proposals were conditionally approved by the Commission in July 2023 as part of a joint-public hearing and involve the transfer of wholesale water service responsibilities within the applicants’ jurisdictional boundaries from the San Diego County Water Authority to Eastern MWD. The noticed protest hearings – one for each agency – were held on August 18, 2023 and marked the culmination of a 21-day period in which landowners and/or registered voters could file written objections to the annexations into Eastern MWD. (The detachments are not subject to protest proceedings under the County Water Authority principal act and instead will be considered by voters in each applicant jurisdiction as part of scheduled elections in November). No written protests were received for either proposal. The protest results are being presented to the Commission under policy to formally receive and file.

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov	Chair Jim Desmond County of San Diego	Kristi Becker City of Solana Beach	Vice Chair Stephen Whitburn City of San Diego	Jo MacKenzie Vista Irrigation	Andy Vanderlaan General Public
Joel Anderson County of San Diego	Dane White City of Escondido	Marni von Wilpert, Alt. City of San Diego	Barry Willis Alpine Fire Protection	Harry Mathis, Alt. General Public	
Nora Vargas, Alt. County of San Diego	John McCann Alt. City of Chula Vista		David Drake, Alt. Rincon del Diablo		

BACKGROUND

Proposals’ Request

San Diego LAFCO received separate reorganization proposals in March 2020 from Fallbrook PUD and Rainbow MWD seeking Commission approval to concurrently (a) detach from the County Water Authority and (b) annex to Eastern MWD. The stated purpose of the reorganizations as detailed in the proposal materials is to achieve cost-savings for the agencies by transitioning the purchase of wholesale supplies. The affected territory as submitted aligns with the existing jurisdictional boundaries of Fallbrook PUD and Rainbow MWD and totals 79,050 acres – or 123.5 square miles – with 99% involving unincorporated lands.¹ This acreage total represents 3.4% of all San Diego County.

Commission Actions

San Diego LAFCO opened a noticed joint-public hearing on the reorganization proposals on June 5, 2023 to consider the proposals filed by the Fallbrook PUD and Rainbow MWD. The opening of the joint hearing included presentations from staff as well as the applicants and County Water Authority followed by extended public testimony. The Commission proceeded to continue the public hearing for further deliberations. The Commission initially continued the item to its August 7, 2023 meeting but subsequently reset the hearing to July 10, 2023. The Commission proceeded to conditionally approve the reorganizations on July 10th with conditions – including a term for the applicants to pay a total exit fee of \$24.305 million over a five-year period. The Commission also delegated conducting authority proceedings specific to the annexations into Eastern MWD to the Executive Officer and hold protest hearings at a future time and place. The Commission separately deferred the conducting authority proceedings covering the detachments from the County Water Authority to its principal act and requirement therein to hold elections within the affected territory.

DISCUSSION

This item is for San Diego LAFCO to receive the results of the protest hearings delegated to the Executive Officer involving the Commission’s earlier approvals of the annexations of Fallbrook PUD and Rainbow MWD jurisdictional boundaries to Eastern MWD. Protest for both proposals opened on July 28, 2023 and concluded at separate hearings held on August 18, 2023 at the Fallbrook PUD administrative office.² Notice of the hearings were provided in the manner allowed under statute and policy and included publishing advertisements in the San Diego Union Tribune in English and Spanish. No written protests were received through the end of the hearings from affected landowners or registered voters as further detailed in the accompanying footnote.³

¹ The affected territory is entirely unincorporated with the exception of an approximate 859.0-acre area within Rainbow MWD that overlaps with the City of Oceanside’s Morro Hills neighborhood.

² The hearing for Rainbow MWD was held at 10:00am and the hearing for Fallbrook PUD was held at 1:00pm.

³ The estimated population within the affected territory is 56,116 with 32,781 registered voters.

With the preceding results in mind, a confirming resolution ordering the reorganization has been executed by the Executive Officer, and the proceedings will become final once the applicant satisfies all remaining terms.

ANALYSIS

San Diego LAFCO’s approved annexations of Fallbrook PUD and Rainbow MWD’s jurisdictional boundaries to Eastern MWD have cleared their last substantive threshold. Recording the annexations – nonetheless – are tied to the completion of all other approval terms and marked by Fallbrook PUD and Rainbow MWD’s electorates approving the detachments from the County Water Authority. These latter terms will be determined as part of special elections scheduled on November 7, 2023.

RECOMMENDATION

It is recommended San Diego LAFCO formally receive the results of the protest hearings held on the reorganizations specific to annexing Fallbrook PUD and Rainbow MWD’s jurisdictional boundaries to Eastern MWD consistent with Alternative One 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):

Receive and file the protest results for the “Fallbrook PUD & Rainbow MWD Wholesaler Reorganizations” (RO20-05 and RO20-04) as presented.

Alternative Two:

Continue the item to a future meeting and provide related direction to staff as needed.

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 the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

- 1) Notice of Hearings


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Name Statement generally expires at the end of five years from the date on which it was filed in the Office of the County Clerk, except, as provided in Subdivision (b) of Section 17920, where it expires 40 days after any change in the facts set forth in this statement pursuant to Section 17913 other than a change in the residence address of a registered owner. A new Fictitious Business Name Statement must be filed before the expiration. The filing of this statement does not of itself authorize the use in this State of a Fictitious Business Name in violation of the rights of another Federal, State or Common Law. (See Section 14411 Et Seq., Business and Professions Code). I hereby certify that this copy is a correct copy of the original statement on file in my office. Peter Aldama Riverside County Clerk

Call Us. 866-411-4140

statement is true and correct. (A registrant to creditors of the within names Seller(s) 07/06/23, 07/13/23, 07/20/23, 07/27/23

three years before the date such list was sent (or complete bid information and questions, go to PlanetBids Vendor Portal for NCTD.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

INICIO DEL PROCEDIMIENTO DE PROTESTA Y FECHA DE AUDIENCIA ASOCIADA

"Reorganización del Distrito Municipal de Agua de Rainbow: Servicios Mayoristas de Agua"
- Anexión al Distrito Municipal de Aguas del Este -
LAFCO Expediente No. R020-04

Periodo de protesta:
viernes, 28 de julio de 2023 a viernes, 18 de agosto de 2023

Audiencia de Protesta:
viernes, 18 de agosto de 2023 a las 10:00
990 E. Misión Carretera, Fallbrook, California 92028


La reorganización antes mencionada fue iniciada por el Distrito Municipal de Agua de Rainbow. Implica la transferencia legal de las responsabilidades del servicio mayorista de agua dentro del límite jurisdiccional de aproximadamente 50,857 acres de Rainbow de la Autoridad del Agua del Condado de San Diego al Distrito Municipal del Agua del Este a través de un proceso simultáneo de separación y anexión. El propósito de la reorganización es proporcionar ahorros de costos a los contribuyentes minoristas de Rainbow. LAFCO aprobó condicionalmente la reorganización el 10 de julio de 2023 para incluir, entre otros, que Rainbow pague una tarifa de salida total de \$15.756 millones durante un periodo de cinco años. Todos los términos de aprobación están disponibles en línea visitando la página de la reunión del 10 de julio de LAFCO en www.sdfalco.org.

La aprobación condicional de LAFCO está sujeta a la realización de procedimientos de autoridad. Esto incluye brindarles a los propietarios de tierras y votantes registrados dentro de Rainbow la oportunidad de presentar una protesta por escrito con el potencial de requerir una elección o cancelar la aprobación por completo. En consecuencia, este aviso inicia formalmente los procedimientos de protesta para la reorganización, y específicamente para la anexión propuesta del territorio afectado al Distrito Municipal de Agua del Este, a partir del viernes 28 de julio de 2023. Los procedimientos de protesta se extienden por 21 días y concluirán como parte de una audiencia formal celebrada por el Funcionario Ejecutivo o su designado a las 10:00 a.m. el viernes 18 de agosto de 2023.

- Instrucciones de Protesta**
Cualquier propietario y/o votante registrado dentro de Rainbow puede presentar una protesta por escrito durante el periodo de protesta. La protesta por escrito se puede presentar en persona o por mensajería, fax o correo electrónico siempre que LAFCO la reciba antes de las 5:00 p.m. el jueves 17 de agosto. De lo contrario, todas las protestas deben presentarse en persona antes de la conclusión de la audiencia del 18 de agosto. Cada protesta por escrito deberá indicar si la hace un propietario calificado o un votante registrado. También identificará la ubicación de la propiedad o el(los) número(s) de parcela del tasador o la dirección de residencia y estará firmada y fechada. Todas las firmas deben estar fechadas con la fecha de la firma, que no debe ser anterior al 28 de julio de 2023 en consonancia con el inicio de los procedimientos de protesta.
- Evaluación de protestas**
El personal de LAFCO trabajará con el Tasador y Registrador de Votantes del Condado de San Diego para evaluar la protesta recibida sobre la reorganización. Se aplican los siguientes umbrales:
 - Si menos del 25 % de (a) los votantes registrados y/o (b) los propietarios de tierras que poseen menos del 25 % del valor tasado de la tierra dentro del territorio afectado presentan protestas por escrito, se ordenará la reorganización sin una elección sujeta a la finalización de otros términos. Esto incluye la celebración de una elección de votantes registrados dentro de Rainbow para aprobar el desapego de la Autoridad de Agua del Condado.
 - Si entre el 25 % y el 50 % de (a) los votantes registrados y/o (b) los tratamientos que poseen entre el 25 % y el 50 % del valor tasado de la tierra en el territorio afectado presentan protestas por escrito, se ordenará la reorganización sujeta a una elección. También se aplicará la finalización de otros términos.
 - Si más del 50 % de (a) los votantes registrados y/o (b) los propietarios de tierras que poseen el 50 % o más del valor tasado de la tierra dentro del territorio afectado presentan protestas por escrito, la reorganización terminará.

Los formularios de protesta para propietarios de tierras y votantes registrados están disponibles en www.sdfalco.org. Una copia de este aviso también está disponible en inglés en el sitio web de LAFCO de San Diego, como se indica arriba. Dirija todas las preguntas al personal de LAFCO al 619-321-3380 o info@sdfalco.org.

PUBLICADO: 27 de agosto de 2023



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

COMMENCEMENT OF PROTEST PROCEEDINGS AND ASSOCIATED HEARING DATE

"Fallbrook Public Utility District Reorganization: Wholesale Water Services"
- Annexation to Eastern Municipal Water District -
LAFCO File No. R020-05

Protest Period:
Friday, July 28, 2023 to Friday, August 18, 2023

Protest Hearing:
Friday, August 18, 2023 at 1:00 PM.
990 E. Mission Road, Fallbrook, California 92028

The above-listed reorganization was initiated by the Fallbrook Public Utility District. It involves the legal transfer of wholesale water service responsibilities within Fallbrook's approximate 28,193 acre jurisdictional boundary from the San Diego County Water Authority to Eastern Municipal Water District via a concurrent detachment and annexation process. The purpose of the reorganization is to provide cost-savings to Fallbrook's retail ratepayers. LAFCO conditionally approved the reorganization on July 10, 2023 to include – among others – Fallbrook paying a total exit fee in the amount of \$8,507 million over a five-year period. All approval terms are available online by visiting LAFCO's July 10th meeting page at www.sdfalco.org.

LAFCO's conditional approval is subject to conducting authority proceedings. This includes providing landowners and registered voters within Fallbrook the opportunity to submit written protest with the potential therein to either require an election or outright terminate the approval. Accordingly, this notice formally commences protest proceedings for the reorganization – and specific to the proposed annexation of the affected territory to Eastern Municipal Water District – beginning Friday, July 28, 2023. The protest proceedings extends 21-days and will conclude as part of a formal hearing held by the Executive Officer or their designee at 1:00 PM, on Friday, August 18, 2023.

- Protest Instructions**
Any landowner and/or registered voter within Fallbrook may file written protest during the protest period. Written protest may be filed in-person or by courier, facsimile, or email so long as it is received by LAFCO by 5:00 PM, on Thursday, August 17th. Otherwise, all protests must be submitted in person prior to the conclusion of the August 18th hearing. Each written protest shall state whether it is made by a qualifying landowner or registered voter. It shall also identify the property location or assessor's parcel number(s) or residence address and be signed and dated. All signatures must be dated with the date signed, which must be no earlier than July 28, 2023 in step with the commencement of the protest proceedings.
- Protest Evaluation**
LAFCO staff will work with the County of San Diego Assessor and Registrar of Voters in evaluating protest received on the reorganization. The following thresholds apply:
 - Should less than 25% of (a) registered voters and/or (b) landowners holding less than 25% of the assessed value of land within the affected territory file written protests the reorganization will be ordered without an election subject to completion of other terms. This includes holding an election of registered voters within Fallbrook to approve detachment from the County Water Authority.
 - Should 25% to 50% of (a) registered voters and/or (b) landowners holding 25% to 50% of the assessed value of land in the affected territory file written protests the reorganization will be ordered subject to an election. Completion of other terms would also apply.
 - Should more than 50% of (a) registered voters and/or (b) landowners holding 50% or more of the assessed value of land within the affected territory file written protests the reorganization will be terminated.


Protest forms for landowners and registered voters are available at www.sdfalco.org. A copy of this notice is also available in Spanish on the San Diego LAFCO website, as listed above.

Please direct all questions to LAFCO staff at 619-321-3380 or info@sdfalco.org.

PUBLISHED: July 27, 2023

FICTITIOUS BUSINESS NAME STATEMENT
File No.: 2023-9011634
Filed with Jordan Z. Marks Recorder/County Clerk County of San Diego: 05/30/2023
Fictitious Business Name(s):
a. RENDEZVOUS NAILS & SPA
Located at: 708 S RANCHO SANTA FE RD #200, SAN MARCOS, CA 92078, SAN DIEGO County, Registered Owners Name(s): a. LUTHAN AL LLC, 708 S RANCHO SANTA FE RD #200, SAN MARCOS, CA 92078, CALIFORNIA.
This business is conducted by: a Limited Liability Company. The first day of business has not yet started.
I declare that all information in this statement is true and correct. (A registrant who declares as true any material matter pursuant to Section 17913 of the Business and Professions code that the registrant knows to be false is guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (1,000).) Registrant Name /s/ THANH LY, MEMBER 07/13/23, 07/20/23, 07/27/23, 08/03/23

FICTITIOUS BUSINESS NAME STATEMENT
File No.: 2023-9014931
Filed with Jordan Z. Marks Recorder/County Clerk County of San Diego: 07/17/2023
Fictitious Business Name(s):
a. Macias Home Cleaning Service
Located at: 921 E 5th St Apt 1, National City, CA 91950, San Diego County, Registered Owners Name(s): a. Rocio Andrea Macias, 921 E 5th St Apt 1 National City, CA 91950. This business is conducted by: an Individual. The first day of business has not yet started.
I declare that all information in this statement is true and correct. (A registrant who declares as true any material matter pursuant to Section 17913 of the Business and Professions code that the registrant knows to be false is guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (1,000).) Registrant Name /s/ Rocio Andrea Macias 07/20/23, 07/27/23, 08/03/23, 08/10/23



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

INICIO DEL PROCEDIMIENTO DE PROTESTA Y FECHA DE AUDIENCIA ASOCIADA

"Reorganización del Distrito de Servicios Públicos de Fallbrook: Servicios Mayoristas de Agua"
- Anexión al Distrito Municipal de Aguas del Este -
Expediente LAFCO No. R020-05

Periodo de protesta:
viernes, 28 de julio de 2023 a viernes, 18 de agosto de 2023

Audiencia de Protesta:
viernes, 18 de agosto de 2023 a las 13:00
990 E. Misión Carretera, Fallbrook, California 92028


La reorganización antes mencionada fue iniciada por el Distrito de Servicios Públicos de Fallbrook. Implica la transferencia legal de las responsabilidades del servicio mayorista de agua dentro del límite jurisdiccional aproximado de 28,193 acres de Fallbrook de la Autoridad del Agua del Condado de San Diego al Distrito Municipal del Agua del Este a través de un proceso simultáneo de separación y anexión. El propósito de la reorganización es proporcionar ahorros de costos a los contribuyentes minoristas de Fallbrook. LAFCO aprobó condicionalmente la reorganización el 10 de julio de 2023 para incluir, entre otros, que Fallbrook pague una tarifa de salida total de \$8,507 millones durante un periodo de cinco años. Todos los términos de aprobación están disponibles en línea visitando la página de la reunión del 10 de julio de LAFCO en www.sdfalco.org.

La aprobación condicional de LAFCO está sujeta a la realización de procedimientos de autoridad. Esto incluye brindarles a los propietarios de tierras y votantes registrados dentro de Fallbrook la oportunidad de presentar una protesta por escrito con el potencial de requerir una elección o cancelar la aprobación por completo. En consecuencia, este aviso inicia formalmente los procedimientos de protesta para la reorganización, y específicamente para la anexión propuesta del territorio afectado al Distrito Municipal de Agua del Este, a partir del viernes 28 de julio de 2023. Los procedimientos de protesta se extienden por 21 días y concluirán como parte de una audiencia formal celebrada por el Oficial Ejecutivo o su designado a las 1:00 p.m. el viernes 18 de agosto de 2023.

- Instrucciones de protesta**
Cualquier propietario y/o votante registrado dentro de Fallbrook puede presentar una protesta por escrito durante el periodo de protesta. La protesta por escrito se puede presentar en persona o por mensajería, fax o correo electrónico siempre que LAFCO la reciba antes de las 5:00 p.m. el jueves 17 de agosto. De lo contrario, todas las protestas deben presentarse en persona antes de la conclusión de la audiencia del 18 de agosto. Cada protesta por escrito deberá indicar si la hace un propietario calificado o un votante registrado. También identificará la ubicación de la propiedad o el(los) número(s) de parcela del tasador o la dirección de residencia y estará firmada y fechada. Todas las firmas deben estar fechadas con la fecha de la firma, que no debe ser anterior al 28 de julio de 2023 en consonancia con el inicio de los procedimientos de protesta.
- Evaluación de protestas**
El personal de LAFCO trabajará con el Tasador y Registrador de Votantes del Condado de San Diego para evaluar la protesta recibida sobre la reorganización. Se aplican los siguientes umbrales:
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 - Si entre el 25 % y el 50 % de (a) los votantes registrados y/o (b) los tratamientos que poseen entre el 25 % y el 50 % del valor tasado de la tierra en el territorio afectado presentan protestas por escrito, se ordenará la reorganización sujeta a una elección. También se aplicará la finalización de otros términos.
 - Si más del 50 % de (a) los votantes registrados y/o (b) los propietarios de tierras que poseen el 50 % o más del valor tasado de la tierra dentro del territorio afectado presentan protestas por escrito, la reorganización terminará.

Los formularios de protesta para propietarios de tierras y votantes registrados están disponibles en www.sdfalco.org. Una copia de este aviso también está disponible en español en el sitio web de LAFCO de San Diego, como se indica arriba. Dirija todas las preguntas al personal de LAFCO al 619-321-3380 o info@sdfalco.org.

PUBLICADO: 27 de agosto de 2023



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

COMMENCEMENT OF PROTEST PROCEEDINGS AND ASSOCIATED HEARING DATE

"Rainbow Municipal Water District Reorganization: Wholesale Water Services"
- Annexation to Eastern Municipal Water District -
LAFCO File No. R020-04

Protest Period:
Friday, July 28, 2023 to Friday, August 18, 2023

Protest Hearing:
Friday, August 18, 2023 at 10:00 A.M.
990 E. Mission Road, Fallbrook, California 92028

The above-listed reorganization was initiated by the Rainbow Municipal Water District. It involves the legal transfer of wholesale water service responsibilities within Rainbow's approximate 50,857 acre jurisdictional boundary from the San Diego County Water Authority to Eastern Municipal Water District via a concurrent detachment and annexation process. The purpose of the reorganization is to provide cost-savings to Rainbow's retail ratepayers. LAFCO conditionally approved the reorganization on July 10, 2023 to include – among others – Rainbow paying a total exit fee in the amount of \$15,756 million over a five-year period. All approval terms are available online by visiting LAFCO's July 10th meeting page at www.sdfalco.org.

LAFCO's conditional approval is subject to conducting authority proceedings. This includes providing landowners and registered voters within Rainbow the opportunity to submit written protest with the potential therein to either require an election or outright terminate the approval. Accordingly, this notice formally commences protest proceedings for the reorganization – and specific to the proposed annexation of the affected territory to Eastern Municipal Water District – beginning Friday, July 28, 2023. The protest proceedings extends 21-days and will conclude as part of a formal hearing held by the Executive Officer or their designee at 10:00 A.M. on Friday, August 18, 2023.

- Protest Instructions**
Any landowner and/or registered voter within Rainbow may file written protest during the protest period. Written protest may be filed in-person or by courier, facsimile, or email so long as it is received by LAFCO by 5:00 P.M. on Thursday, August 17th. Otherwise, all protests must be submitted in person prior to the conclusion of the August 18th hearing. Each written protest shall state whether it is made by a qualifying landowner or registered voter. It shall also identify the property location or assessor's parcel number(s) or residence address and be signed and dated. All signatures must be dated with the date signed, which must be no earlier than July 28, 2023 in step with the commencement of the protest proceedings.
- Protest Evaluation**
LAFCO staff will work with the County of San Diego Assessor and Registrar of Voters in evaluating protest received on the reorganization. The following thresholds apply:
 - Should less than 25% of (a) registered voters and/or (b) landowners holding less than 25% of the assessed value of land within the affected territory file written protests the reorganization will be ordered without an election subject to completion of other terms. This includes holding an election of registered voters within Rainbow to approve detachment from the County Water Authority.
 - Should 25% to 50% of (a) registered voters and/or (b) landowners holding 25% to 50% of the assessed value of land in the affected territory file written protests the reorganization will be ordered subject to an election. Completion of other terms would also apply.
 - Should more than 50% of (a) registered voters and/or (b) landowners holding 50% or more of the assessed value of land within the affected territory file written protests the reorganization will be terminated.

Protest forms for landowners and registered voters are available at www.sdfalco.org. A copy of this notice is also available in Spanish on the San Diego LAFCO website, as listed above.

Please direct all questions to LAFCO staff at 619-321-3380 or info@sdfalco.org.

PUBLISHED: July 27, 2023

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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

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Priscilla Mumpower, Assistant Executive Officer

SUBJECT: Progress Report on the Adopted Workplan

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing the 30 projects included in the adopted workplan for 2023-2024. Most – 14 of 20 – high and medium priority projects have advanced during the first two full months of the fiscal year with one now complete involving a scope of work to update LAFCO’s personnel policies. Another two projects are nearing completion and involve implementing the first year of a new planning grant to perform market analysis in support of small farms as well as proceeding with the second year of the Ad Hoc on Resource Conservation Districts. The report is being presented to the Commission to receive and file with the opportunity to identify potential amendments for future consideration.

BACKGROUND

San Diego LAFCO’s current fiscal year workplan was adopted at a noticed hearing held in May 2023. The workplan is a multi-year planning tool that is developed and updated annually. The current workplan includes 30 projects and is divided into two distinct categories – statutory and administrative – along with priority assignments set by the Commission. Internal amendments to reset priorities and advance the placement of municipal service reviews on the San Diego County Water Authority and healthcare districts were approved in August.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103-6624 T 619.321.3380 www.sdlafo.org lafco@sdcounty.ca.gov</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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DISCUSSION

This item provides San Diego LAFCO with its regular progress report on workplan projects 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.

ANALYSIS

San Diego LAFCO is generally proceeding as planned through the first two months of the fiscal year. This includes an emphasis in advancing the Commission's high and medium priority projects with 14 of the 20 related activities having advanced in some substantive manner. Three of these projects are now either complete (scope of work on personnel policy update) or nearing completion (first year of planning grant to perform market analysis to support small farms and second year of the Ad Hoc on Resource Conservation Districts). Other workplan projects expected to advance further in the next month towards their completion include the policy establishment to guide out-of-agency service approvals. Additionally, although they are not expected to near their completion, staff anticipates allocating more resources over the next month to the Commission's two highest priorities involving scheduled municipal service reviews covering the County Water Authority and healthcare districts.

No amendments are proposed at this time.

RECOMMENDATION

It is recommended San Diego LAFCO receive and file the item consistent with practice and identified as Alternative Action One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Receive and file the item.

Alternative Two:

Continue consideration of the item and provide direction to staff 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) 2023-2024 Workplan with Status Notations

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As Amended

Priority	Level	Type	Project	Description	Status
Ongoing	...	Statutory	Applicant Proposals and Requests	Prioritize resources to address all applicant proposals and related requests	
Ongoing	...	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work	
Ongoing	...	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with quarterly updates to the Commission	
1	High	Statutory	MSR CWA-MET	Initiate scheduled review of wholesale water suppliers – CWA (comprehensive) and MET (abbreviated)	
2	High	Statutory	MSR Healthcare Districts	Initiate a comprehensive study of the four healthcare districts in San Diego County	
3	High	Administrative	Recruit, Hire + Support Staff	Ensure all 9.0 budgeted positions are filled in a timely manner with ongoing resource support	
4	High	Administrative	Commissioner Onboarding	Create onboarding resources and related training for new and continuing Commissioners	
5	High	Administrative	Online Accounting	Transition QuickBooks accounting from desktop to online platform + make use of public-facing features	
6	High	Administrative	Policy Personnel: Part I	Develop and approve a scope of work to guide update to personnel policies to reflect best practices	
7	High	Administrative	Policy Personnel: Part II	Complete a comprehensive update to LAFCO's personnel policies	
8	High	Statutory	MSR Oceanside Region	Complete the scheduled reviews of the City of Oceanside, Oceanside SC Harbor District, and Moreno Hills CSD	
9	High	Statutory	MSR Carlsbad Region	Complete the scheduled reviews of the City of Carlsbad, Carlsbad MWD, and Leucadia WWD	
10	High	Administrative	SALC Planning Grant 2.0	Initiate two-year grant (contracts, etc.) to expand SALC 1.0 to establish ag costs/revenues with gap analysis	
11	Medium	Administrative	RCD Ad Hoc Committee: Year Two	Approve scope of work for Year Two activities and proceed accordingly towards completion	
12	Medium	Statutory	Policy Out-of-Agency Services	Complete policy establishment to guide approval process for out-of-agency services (G.C. 56133)	
13	Medium	Statutory	MSR San Marcos Region	Complete the scheduled reviews of the City of San Marcos, Marcos FPD, & Vallecitos WD	
14	Medium	Statutory	MSR Vista Region	Complete the scheduled reviews of the City of Vista, Vista ID, Vista FPD, & Buena SD	
15	Medium	Administrative	White Paper Public Recreation Opportunities	Evaluate potential governance models involving San Diego-owned reservoirs in unincorporated areas	
16	Medium	Administrative	White Paper Growth Management + Housing	Evaluate growth management policies + connectivity between LAFCO, County, and SANDAG	
17	Medium	Administrative	Special Districts Advisory Committee	Provide administrative support to Advisory Committee and hold no less than three formal meetings in FY	
18	Medium	Administrative	Cities Advisory Committee	Provide administrative support to Advisory Committee and hold no less than two formal meetings in FY	
19	Medium	Administrative	Website Content Expansion	Proceed with content expansion for newly redesigned LAFCO website with multi-media enhancements	
20	Medium	Administrative	2022-2023 Audit	Complete outside audit of financial statements for FY2023	

Priority	Level	Type	Project	Description	Status
21	Low	Statutory	Legislative Proposal G.C. 56133	Continue work to support amendment clarifying authority to determine out-of-agency service exemptions	
22	Low	Statutory	Policy Applicant Procedures	Update and streamline application materials and establish protocols in terminating proposals	
23	Low	Statutory	MSR Encinitas Region	Initiate a regional study covering the City of Encinitas + San Dieguito WD et al.	
24	Low	Statutory	MSR Del Mar-Solana Beach Region	Initiate a regional study covering the Cities of Del Mar and Solana Beach + Santa Fe ID et al.	
25	Low	Statutory	Legislative Proposal G.C. 56430	Sponsor and/or facilitate amendment establishing community engagement enhancements in MSR statute	
26	Low	Administrative	Service + Fiscal Indicators	Develop online browser feature to depict service + fiscal indicators among local agencies in San Diego County	
27	Low	Administrative	White Paper School Districts	Evaluate scope and scale of school districts + their baseline capacities for reference in MSRs	
28	Low	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services	
29	Low	Administrative	Annual Local Agency Directory	Update and publish an annual local agency directory subject to LAFCO oversight	
30	Low	Administrative	White Paper Community Choice Aggregations	Evaluate scope and scale of CCAs and their operations in San Diego County and connectivity to LAFCO	

Bullpen	Statutory	Policy Review Island Annexations	Consider options to define “substantially surrounded” and provide related mapping services
Bullpen	Administrative	White Paper Garbage Services	Evaluate the scope and scale of garbage collection services and possible governance alternatives
Bullpen	Administrative	White Paper Homeless Services	Evaluate the scope and scale of homeless services and possible governance alternatives
Bullpen	Administrative	LAFCO Workshop	Organize a Commission Workshop to discuss core responsibilities + powers and implementing preferences
Bullpen	Administrative	Public Access Television	Broadcast LAFCO meetings on local government channels
Bullpen	Statutory	MSR Pauma Valley Region	Initiate a regional study covering the north county special districts in the Pauma/Rincon communities
Bullpen	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service review and sphere of influence actions
Bullpen	Statutory	Policy Fee Schedule	Review and update fee schedule to sync with current costs and related considerations
Bullpen	Statutory	Policy CEQA Guidelines	Review and update existing implementing guidelines relative to current statute and best practices
Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County’s 28 Planning and or Sponsor Groups and directly engage as appropriate
Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information
Bullpen	Administrative	Local Agency Finder Tool	Develop online feature for users to enter address to identify all overlapping local jurisdictions (cities and districts)
Bullpen	Administrative	Southern California LAFCOs	Participate in quarterly meetings with other Southern California LAFCOs and related projects and/or trainings
Bullpen	Administrative	CALAFCO	Participate in CALAFCO sponsored programs and related trainings (conferences, workshops, committees, etc.)
Bullpen	Statutory	Policy Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts’ service functions and classes
Bullpen	Statutory	Escondido Region Governance Study	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD
Bullpen	Administrative	White Paper JPAs	Evaluate the status of JPA filings in San Diego County relative to LAFCO’s task in SB 1261
Bullpen	Statutory	Policy Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current member interests/priorities
Bullpen	Statutory	Policy Special Districts Advisory Committee	Coordinate with SDAC in updating bylaws and related procedures to sync with current member interests/priorities

Complete	Near Complete	Underway	Pending



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

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AGENDA REPORT
 Consent | Action

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Erica Sellen, Executive Assistant

SUBJECT: Approval of Independent Audit Expense for FY2022-2023

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider approval of an independent audit expense in the amount of \$9,950 with O’Conner and Company covering 2022-2023. This amount is consistent with the terms of an earlier proposal received from O’Conner and Company as successor to R.J. Ricciardi and Associates to provide annual auditing services to the Commission as part of an open selection process completed in September 2019. Staff recommends the Commission approve the expense with any related direction in proceeding with the audit.

BACKGROUND

**Adopted Policies |
 Selection of Independent Auditor and Audit Expense Approval**

San Diego LAFCO’s adopted policies authorize the Executive Officer to engage the services of an outside accounting firm to audit the Commission’s financial statements on an annual basis. The Commission separately establishes procurement allowances for the Executive Officer and includes competitive bid procedures for transactions at or above \$10,000 and separate Commission approval for transactions at or above \$125,000. The procurement

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov	Chair Jim Desmond County of San Diego Joel Anderson County of San Diego Nora Vargas, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann Alt. City of Chula Vista	Vice Chair Stephen Whitburn 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	Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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policies apply for all transactions with the notable exception of requiring Commission approval for any independent audit expense regardless of the amount.

DISCUSSION

This item is for San Diego LAFCO to consider a recommendation from the Executive Officer to approve an independent audit expense for O’Conner and Associates (Novato) to review the Commission’s financial statements for 2022-2023. The expense totals \$9,950 and covers the preparation and related analysis therein of an audit report along with an accompanying management letter. Out-of-pocket expenses will be billed as reimbursements.

ANALYSIS

The recommended expense approval for independent audit services to review San Diego LAFCO’s financial statements in 2022-2023 can be readily accommodated through the adopted budget. Approval is also informed by an earlier competitive selection process with additional details footnoted.¹ If approved, O’Conner and Company anticipates initiating the audit in November with the goal of producing a draft as early as December. Should the Commission approve the expense, it will be the fifth consecutive outside audit prepared by O’Conner and Company via its successor role to R.J. Ricciardi and Associates.

RECOMMENDATION

It is recommended San Diego LAFCO approve the independent audit expense with O’Conner and Company in the amount of \$9,950 to provide an audit report for 2022-2023. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO.

Alternative One (recommended):

Approve the independent audit expense with O’Conner and Company to prepare an audit for 2022-2023 as provided under policy.

Alternative Two:

Continue consideration to a future meeting and provide direction to staff concerning additional information or related tasks.

¹ The competitive process commenced in June 2019 with the preparation of a request for proposal (RFP) by the Executive Officer for auditing services beginning with 2018-2019 with one-year options through 2022-2023. The RFP was directly circulated to 15 established accounting firms as well as posted on the LAFCO website. The RFP generated four written responses and were subsequently reviewed for completeness by the Executive Officer. All four responders proceeded to participate in interviews with the Executive Officer and Administrative Assistant and relative to considering four distinct criteria factors: (a) completeness of the written proposal; (b) firm qualifications; (c) client references; and (d) costs. At the conclusion of the interview process, the Executive Officer subsequently selected R.J. Ricciardi and Associates’ proposal via its co-principal, Michael O’Conner. R.J. Ricciardi and Associates dissolved in late 2022 with O’Conner and Company emerging as the client successor.

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 the Executive Officer,



Erica Sellen
Executive Assistant

Attachment:

- 1) Audit Engagement Letter

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1701 NOVATO BLVD., SUITE 302
 NOVATO, CA 94947
 PH. (415) 457-1215
 FAX. (415) 457-6735
 www.maocpa.com

September 19, 2023

Keene Simonds, Executive Officer
 San Diego County Local Agency Formation Commission
 Subdivision of the State of California | Regional Service Planning
 2550 Fifth Avenue, Suite 725
 San Diego, California 92103-6624

Dear Keene Simonds:

We are pleased to confirm our understanding of the services we are to provide San Diego Local Agency Formation Commission for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental-type activities and the major fund, including the notes to the financial statements, which collectively comprise the basic financial statements, of San Diego Local Agency Formation Commission (San Diego LAFCo) as of the year ended June 30, 2023. Accounting standards generally accepted in the United States of American (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), and the statement of revenues, expenditures, and changes in fund balance – budget and actual – for the General Fund, to accompany San Diego LAFCo's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to San Diego LAFCo's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any reassurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.
3. Proportionate Share of Net Pension Liability (Asset).
4. Schedule of Contributions.
5. Schedule of Changes in Net Other-Post Employment Benefits Liability and Related Ratios.
6. Schedule of Contributions – OPEB.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of San Diego LAFCo's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare the financial statements of San Diego LAFCo in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare any cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Further, we understand that your employees will prepare all information we request in our Client Participation List in the format requested and send it to us 30 days prior to scheduling the audit field work. If you have insufficient personnel or time to prepare these items we can assist you in this area and we will discuss with you the additional time required and estimated fee for these services.

The audit documentation for this engagement is the property of O'Connor & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the regulating entity or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of O'Connor & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Michael O'Connor is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our estimated fee, including expenses will be \$9,950 for the audit of San Diego LAFCo.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

If additional time is needed for us to assist San Diego LAFCo in the resolution or investigation of accounting errors, discrepancies, or reconciliation issues, assistance in the preparation of schedules, or to reflect in our workpapers corrections to the San Diego LAFCo's accounting records made after the start of the engagement, we will perform such additional work at our standard hourly rates indicated below:

Director \$200
Audit Director/Manager \$150
Audit Supervisor \$120-150
Senior Accountant \$100
Staff Accountant \$75-100
Administrative \$100

In addition to the estimated fees noted above, we reserve the right to invoice San Diego LAFCo at our standard hourly rates for time incurred providing information to successor auditors in compliance with AU Sec. 315. Our invoices and related fees for this service will be payable upon presentation.

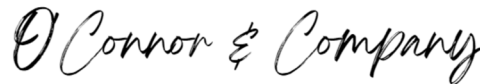
Reporting

We will issue a written report upon completion of our audit of San Diego LAFCo's financial statements. Our report will be addressed to those charged with governance of San Diego LAFCo. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We reserve the right to suspend or terminate our work if you have failed to fulfill your responsibilities set forth in this engagement letter, and such failure materially interferes with our work. If our work is suspended or terminated because of your failure to fulfill your responsibilities set forth in this engagement letter, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any damages (including consequential damages) incurred as a result of the suspension or termination of our work.

We appreciate the opportunity to be of service to San Diego LAFCo, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy of this letter, and return it to us.

Very truly yours,



O'Connor & Company

RESPONSE:

This letter correctly sets forth the understanding of San Diego LAFCo:

Officer signature: _____

Title: _____

Date: _____

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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

October 2, 2023

TO: Commissioners
FROM: Michaela Peters, Analyst I
SUBJECT: Report on Active Proposals and Related Activities

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a status report on the 30 active proposals currently on file as well as anticipated filings based on ongoing discussions with proponents. The item is for information and concurrently satisfies LAFCO’s reporting requirement involving petition-initiated proposals.

BACKGROUND

Processing Procedures and Timelines

LAFCO proceedings for jurisdictional changes are generally initiated by outside applicants through petitions (landowners or voters), and to a lesser degree by resolutions (local agencies). LAFCOs may also initiate jurisdictional changes to form, consolidate, or dissolve special districts if consistent with the recommendations of approved municipal service reviews. Most jurisdictional change filings take three to five months before they are scheduled for hearing. Applications for outside-of-agency service approvals – which are subject to separate procedures – generally take two months to process.

<p>Administration: Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcounty.ca.gov www.sdlafco.org</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Krista Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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DISCUSSION

This item provides San Diego LAFCO with its regular update on active proposals on file. The item also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being filed 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 involving jurisdictional changes initiated by petitions.¹

All active and pending proposals are outlined in Attachment One.

ANALYSIS

None.

RECOMMENDATION

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

ALTERNATIVES FOR ACTION

None.

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,



Michaela Peters
Analyst I

Attachment:

- 1) Active and Pending Proposals as of September 25, 2023

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.

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	Staff	Application submitted in March 2006 by landowner petition to annex six parcels to the City of Escondido. The affected territory comprises six parcels located along Tobacco Road. The application filing fulfilled an earlier Executive Officer approval in 2006 to authorize the City of Escondido to extend outside wastewater service to two of the six subject parcels due to failing septic systems. (The other four subject parcels are included in the proposal to provide connectivity to the existing City boundary.) The current number of residents within the affected territory is unknown. The application remains incomplete pending submittal of additional documentation and related information to complete the administrative review. <u>The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.</u>
2	RO08-09 “South Mollison Ave-Snyder Reorganization” - City of El Cajon: Annexation	Staff	Application submitted in May 2008 by landowner petition for a proposed annexation to the City of El Cajon. The affected territory includes approximately 1.25 acres and is subject to a proposed multi-family residential project. It is unknown whether there are any current residents within the affected territory. The application remains incomplete pending submittal of additional documentation and related information necessary to complete the administrative review. <u>The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.</u>
3	DA08-10 “Avocado Way-Potter Annexation” - Vallecitos WD: Annexation	Staff	Application submitted in March 2008 by landowner petition requesting annexation of to the Vallecitos Water District (WD) for purposes of receiving public wastewater services. The affected territory comprises two parcels developed with single-family residences located along Avocado Way. The number of current residents within the affected territory is unknown. The application remains incomplete pending submittal of additional documentation and related information necessary to complete the administrative review. <u>The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.</u>

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
4 RO08-15 SA08-15	“Crestlake Estates Reorganization” - San Diego County SD: Annexation - Lakeside FPD: Annexation	Staff	Application submitted in May 2008 by landowner petition requesting a reorganization to accommodate wastewater, fire protection, and ambulance services for an approved Tentative Map allowing the development of 60 single-family residences. It is unknown if there are any current residents. The affected territory lies within all three subject agencies’ spheres of influence: San Diego County Sanitation District (SD); Lakeside Fire Protection District (FPD); and County Service Area (CSA) No. 69. The application remains incomplete pending submittal of additional documentation and related information necessary to complete the administrative review. <u>The proposal is subject to formal abandonment pending the anticipated action by the Commission to approve authorizing policies.</u>
5 DA12-02	“Lorch Annexation” - Borrego WD: Annexation	Staff	Application submitted in March 2012 by landowner petition to annex approximately 9.4 acres to the Borrego Water District (WD) to provide water service to one parcel within the District’s sphere. It is unknown how many residents are currently within the affected territory. 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. Discussions continue.
6 DA16-10	“CSA 17 Harmony Grove Annexation” - CSA 17: Annexation	Carolanne Ieromnimon	Application submitted in May 2016 by resolution from the County of San Diego to annex approximately 3,600 acres to County Service Area (CSA) No. 17 for ambulance service and done so as a cross-condition of the Commission dissolving CSA No. 107 in 2015. The affected territory is entirely unincorporated and comprises portions of the Elfin Forest and Harmony Grove communities with an estimated resident population of 29,995. The proposal remains incomplete due to a variety of reasons and marked by opposition from the CSA No. 17 Advisory Committee. Staff continues to engage the County, Advisory Committee, and other stakeholders with the objective of fulfilling the Commission’s earlier directive.
7 RO16-11	“Rancho Hills Reorganization” - Rancho Santa Fe CSD: Annexation - Olivenhain MWD: Expansion of Latent Power Area - Olivenhain MWD: Latent Sphere Amendment	Michaela Peters	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. The application is administratively paused due to incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. Communications remain ongoing.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
8	Ro19-04 “Ortega – Old Highway 80 Change of Organization” - San Diego County SD: Annexation	Carolanne Ieromnimon	Application submitted in February 2019 by landowner petition to annex approximately 5.07 acres to the San Diego County Sanitation District (SD) for wastewater service. The affected territory comprises two parcels presently developed with single-family residences with an unknown number of residents. The purpose of the proposal is to connect sewer services for a proposed office/warehouse building development. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review.
9	SA19-26 RO19-26 OAS19-26 “Valiano - Eden Valley Reorganization” - City of Escondido: Extraterritorial Sewer - City of Escondido: Sphere Amendment - San Marcos FPD: Annexation - Rancho Fe FPD: Detachment - Rancho Fe FPD: Sphere Amendment	Michaela Peters	Application submitted in November 2019 jointly by landowner petition and the City of Escondido and involves a reorganization and outside-of-agency service agreement as part of the “Valiano” planned development in Harmony Grove. The reorganization involves the concurrent annexation of approximately 10.8 unincorporated acres to San Marcos FPD and detachment from Rancho Santa Fe FPD and related sphere amendments. The outside-of-agency service agreement approval request involves the extension of wastewater from the City of Escondido for approximately 82.9 unincorporated acres with related sphere amendments to add to Escondido and remove from San Marcos. The application is administratively paused due to incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. Communications remain ongoing.
10	CO21-09 “Otay Lakes Road Change of Organization” - City of Chula Vista: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition to annex approximately 1,870 acres of unincorporated territory to the City of Chula Vista. (The petitioners originally filed an application in October 2021 seeking approval to annex into the San Diego County Sanitation District. This previous application has since been withdrawn.) The affected territory comprises 6 parcels within the Baldwin and Moller communities and are presently undeveloped with no residents. The proposal is intended to facilitate a conditional development approval to construct 1,938 residential units with various ancillary uses as part of the “Otay Ranch Resort Village 13” project. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
11	CO22-04 “AJX Homes - Carmichael Change of Organization” - City of La Mesa: Annexation - City of La Mesa: Sphere Amendment	Carolanne Ieromnimon	Application submitted in February 2022 by landowner petition and involves annexation of approximately 0.3 acres to City of La Mesa for wastewater service. The affected territory is developed with a single-family residence and the landowner intends to update the existing site from a septic system to public wastewater system. 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
12	RO22-11 “Tummala-Rincon MWD Reorganization” - Rincon del Diablo MWD: Annexation - Metropolitan Water District: Annexation - San Diego CWA: Annexation	Michaela Peters	Application submitted in October 2022 by landowner petition and involves annexation of approximately 20 acres of unincorporated territory to make available public water services. The affected territory is currently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan with the County of San Diego. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review.
13	CO22-20 “Camino De La Fuente- Wick Change of Organization” -San Diego County SD: Annexation	Carolanne Ieromnimon	Application submitted in November 2022 by landowner petition and involves annexation of approximately 35.3 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory is currently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan to grade the land for future industrial and outdoor storage uses. The proposal is scheduled for consideration by the Commission at its October 2 nd , 2023 meeting.
14	RO23-01 “Tucker-Valley Road Reorganization” - National City: Annexation - South Bay ID: Detachment - Bonita FPD: Detachment - Bonita FPD: Sphere Amendment - CSA No. 135: Detachment	Carolanne Ieromnimon	Application submitted in November 2022 by landowner petition and involves annexation of approximately 35.3 acres of unincorporated territory to the San Diego County Sanitation District to make available public water and wastewater services. The affected territory is currently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan to grade the land for future industrial and outdoor storage uses. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review.
15	RO23-02 “Yerba Valley Road Reorganization” - Lakeside WD: Annexation - San Diego CWA: Annexation - MET: Annexation - Conforming sphere of Influence Amendments	Michaela Peters	Application submitted in February 2023 by resolution from Lakeside Water District to concurrently annex approximately 80.4 acres of unincorporated territory to the Lakeside Water District, San Diego County Water Authority, and Metropolitan Water District of Southern California. The affected territory presently comprises 17 existing single-family residences with no additional planned development. The proposal purpose is to make available public water services given uncertain well water flows within the affected territory. The proposal is currently under administrative review and considered incomplete at this time.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
16	OAS23-03 “Bryant-Felicita Road Outside-of-Agency Service Agreement” - City of Escondido: OAS	Priscilla Mumpower	Application submitted in February 2023 by landowner petition and involves an outside-of-agency service agreement for wastewater services to a single-family residence totaling 0.4 acres as a remedy to a failing septic system. The Executive Officer administratively approved the service request on February 22, 2023. The proposal is currently under administrative review and considered incomplete at this time.
17	RO23-05 “Cambier-W. El Norte Parkway Reorganization” - Vista Irrigation District: Detachment - Vallecitos Water District: Annexation	Carolanne Ieromnimon	Application submitted in March 2023 by landowner petition and involves annexation of approximately 2.53 acres to the Vallecitos Water District to make available public water and wastewater services. The affected territory is currently vacant and undeveloped. The affected territory is presently vacant and undeveloped. The proposal purpose is to position the landowner to proceed in the future with a development plan to create one single-family residence. The proposal is currently under administrative review and considered incomplete at this time.
18	RO23-06 “N. Iris Lane-Hallmark Development Reorganization” - City of Escondido: Annexation - CSA No. 135: Detachment - Rincon del Diablo FPD ID-E: Exclusion	Michaela Peters	Application submitted in April 2023 by landowner petition and involves annexation of approximately 7.7 acres to the City of Escondido for the primary purpose of establishing water and wastewater services. The affected territory is currently developed, with four single-family residences, each with an ADU with plans to redevelop the site to consist of 102 new condominiums units and associated infrastructure/streets. The proposal is currently under administrative review and considered incomplete at this time.
19	RO23-07 (a) & (b) “Stanley Avenue Reorganization” - City of Escondido: Annexation - CSA No. 135: Detachment - Rincon del Diablo FPD ID-E: Exclusion	Michaela Peters	Application submitted in May 2023 by landowner petition and involves annexation of approximately 7.4 acres to the City of Escondido for the primary purpose of establishing wastewater services. The affected territory comprises 3 separate parcels; one parcel contains 2 preexisting single-family residences with plans of developing an additional 46 residential units, another parcel is presently vacant with plans to develop 20 residential units, and the third parcel is currently developed with an existing single-family residence and included due to expressed interest by the landowners in annexation. The reorganization also includes concurrent detachments from County Service Area No. 135 as well as formal exclusion from Rincon Municipal Water District’s ID-E wastewater function. The proposal is scheduled for consideration by the Commission at its October 2 nd , 2023 meeting.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
20	RO23-08	"Colina Fuerte-Via Ascenso Reorganization" - Santa Fe ID: Annexation - Olivenhain MWD: Detachment	Application submitted in May 2023 by landowner petition and involves annexation of approximately 5.1 acres to the Santa Fe Irrigation District for the primary purpose of establishing potable water service. The affected territory as proposed includes one parcel presently undeveloped with plans to develop a single-family residence along with an accessory dwelling unit. The reorganization will also necessitate detachment from Olivenhain Municipal Water District. The proposal is currently under administrative review and considered incomplete at this time.
21	CO23-09	"City of Carlsbad Change of Organization" - Leucadia WD: Detachment	Application submitted in July 2023 by resolution from the City of Carlsbad to detach 99.0 acres of incorporated territory from the Leucadia Wastewater District. The affected territory is presently inhabited and developed with multiple residences with no plans for future development. The proposal purpose is to better utilize existing wastewater infrastructure provided by the City of Carlsbad. The proposal is currently under administrative review and considered incomplete at this time.
22	CO23-10	"Glen Abbey Drive-Bonita Road Change of Organization" -San Diego County SD: Annexation	Application Submitted in July 2023 by landowner petition and involves annexation of approximately 109.50 acres to the San Diego County Sanitation District (SD) to make available public wastewater services. The affected territory consists of a cemetery and funeral home as well as several mausoleums. The proposal purpose is to position the landowner in the future to proceed with the consolidation of the existing mausoleums into one mausoleum. The proposal is currently under administrative review and considered incomplete at this time.
23	RO23-11	"Nencini Associates-Jonel Way Reorganization" -San Diego County SD: Annexation -City of Chula Vista: Detachment	Application submitted in July 2023 by landowner petition and involves annexation of approximately 20.6 acres to the San Diego County Sanitation District (SD) with concurrent detachment from the City of Chula Vista for the primary purpose of establishing sewer service. The affected territory is partially developed with one single-family residence, with plans to develop 7 additional single-family residences through subdivision. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary	
ACTIVE PROPOSALS POST COMMISSION ACTION				
24	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	Staff	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.
25	LP(E)19-27	“Fallbrook PUD Latent Powers Expansion” - Activation: Park and Recreation - Activation: Street Lighting - Activation: Roads	Priscilla Mumpower	Application submitted in November 2019 by resolution from the Fallbrook Public Utility District (PUD) seeking approval to activate specified latent powers throughout its jurisdictional boundary and its 28,193 unincorporated acres. The estimated resident population within the affected territory is 33,986. Requested power activations involve park and recreation, street lighting, and roads with the former intended to supplement existing park and recreation services provided in the region by the County of San Diego via County Service Area No. 81. The proposal was approved by the Commission on April 4, 2022, and now pending recordation once all terms are satisfied. A noticed protest hearing was held on May 31, 2022 and continued to June 14, 2022 11, 2022 at the Fallbrook Public Utilities District. Not enough protest was received by affected registered voters or landowners. Other terms remain pending.
26	CO22-16	“Cumming Ranch Change of Organization” - Ramona Municipal Water District: Annexation - County Service Area 135: Detachment	Carolanne Ieromnimon	Application submitted in October 2022 by resolution of the Ramona Water District seeking approval for latent power expansion of Ramona MWD’s activated wastewater service area by approximately 389 acres. The affected territory is currently vacant and undeveloped. The proposal purpose is to establish wastewater services for the future development of 125 single family residences as part of the “Cummings Ranch Subdivision” project. The proposal was approved by the Commission on May 1 st , 2023 and now pending completion of terms and conditions as set forth by the Commission.

File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
27	CO22-17 “Yung-La Presa Avenue Change of Organization” - San Diego County SD: Annexation	Carolanne Ieromnimon	Application submitted in October 2022 by landowner petition and involves annexation of approximately 0.16 acres of unincorporated territory to the San Diego County Sanitation District to make available public wastewater services. The affected territory is currently developed with 3 residents. The proposal purpose is to position the landowner to proceed in the future with a development plan to add an additional single-family residence. The proposal was approved by the Commission on June 5 th , 2023 and now pending completion of terms and conditions as set forth by the Commission.
28	CO22-18 “For Giving LLC- Hymettus Avenue Change of Organization” - Leucadia WD: Annexation	Carolanne Ieromnimon	Application submitted in October 2022 by resolution of the Leucadia Wastewater District and involves annexation of approximately 1.20 acres of unincorporated territory to make available public wastewater services. The affected territory comprises one single family residence in Encinitas and presently vacant with no residents. The proposal purpose is to position the landowner to proceed in the future with a development plan to create two single-family residences. The proposal was approved by the Commission on June 5 th , 2023 and now pending completion of terms and conditions as set forth by the Commission.
29	RO20-04 “Rainbow MWD – Eastern MWD Reorganization” - San Diego CWA: Detachment - Eastern MWD: Annexation - Eastern MWD: Sphere Action	Priscilla Mumpower	Application submitted April 2020 by resolution from the Rainbow Municipal Water District (MWD) to concurrently detach from the San Diego County Water Authority (CWA) and annex to the Eastern Municipal Water District (MWD). The affected territory spans approximately 50,857 acres covering the Rainbow and Bonsall communities with an estimated resident population of 22,130. The purpose of the proposal is to transfer the wholesale water supply provider for cost-savings. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal and its technical merits. The proposal was approved by the Commission on July 10 th , 2023 and now pending completion of terms and conditions as set forth by the Commission.
30	RO20-05 “Fallbrook PUD – Eastern MWD Reorganization” - San Diego CWA: Detachment - Eastern MWD: Annexation - Eastern MWD: Sphere Action	Priscilla Mumpower	Application submitted April 2020 by resolution from Fallbrook Public Utility District (PUD) to concurrently detach from the San Diego County Water Authority (CWA) and annex to the Eastern Municipal Water District (MWD). The affected territory spans approximately 28,193 acres covering the Fallbrook and De Luz communities with an estimated resident population of 33,986. The purpose of the proposal is to transfer the wholesale water supply provider for cost-savings. The submitted proposal application is incomplete pending receipt of additional documentation and related information to complete the administrative review. A 10-member advisory committee has also been established by the Commission to assist staff in evaluating the proposal and its technical merits. The proposal was approved by the Commission on July 10 th , 2023 and now pending completion of terms and conditions as set forth by the Commission.

File Number		Proposal Name Affected Agencies	Project Manager	Proposal Summary
<p>PENDING PROPOSAL APPLICATION SUBMITTALS (No project manager; inquiries should be directed to Keene Simonds)</p>				
31	Pending	<p>“Harvest Hills Reorganization” - City of Escondido</p>		<p>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.”</p>
32	Pending	<p>“Rancho Lomas Verde Reorganization” - City of Vista</p>		<p>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.</p>
33	Pending	<p>“Sager Ranch Reorganization” - City of Escondido</p>		<p>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.</p>

	File Number	Proposal Name Affected Agencies	Project Manager	Proposal Summary
34	Pending	"Harmony Grove Village South" (TM-626)		<p>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.</p>
35	Pending	<p>"La Jolla Incorporation" - City of San Diego: Detachment</p>		<p>This anticipated special reorganization involves the detachment of 8,371 acres from the City of San Diego and the incorporation of the community of La Jolla. A draft fiscal impact analysis report is currently underway by the proponents - Association for the City of La Jolla (501c3) – to determine whether La Jolla could obtain cityhood and be economically sustainable on its own. Application is pending.</p>



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

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AGENDA REPORT
 Public Hearing

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Carolanne Ieromnimon, Analyst II

SUBJECT: CONTINUED: Proposed “Camino de la Fuente-Wick Change of Organization” | Annexation to San Diego County Sanitation District and Conforming Sphere of Influence Action (CO22-20)

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will continue consideration from the August 2023 meeting of a change of organization initiated by a landowner to annex approximately 35.32 acres of unincorporated territory to the San Diego County Sanitation District (SD). The affected territory as submitted comprises two entire legal parcels (1.05 acres & 34.27 acres) presently undeveloped with surface improvements in the unincorporated community of East Otay Mesa. The proposal purpose is to accommodate and expand the current use of the affected territory as a commercial truck staging and waiting lot by making available public wastewater service through the placement and connection of a restroom trailer. Staff recommends conditional approval of the proposal as submitted with a conforming sphere amendment. Staff also recommends waiver of protest proceedings and exemption findings under the California Environmental Quality Act.

<p>Administration: Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcountry.ca.gov www.sdlafco.org</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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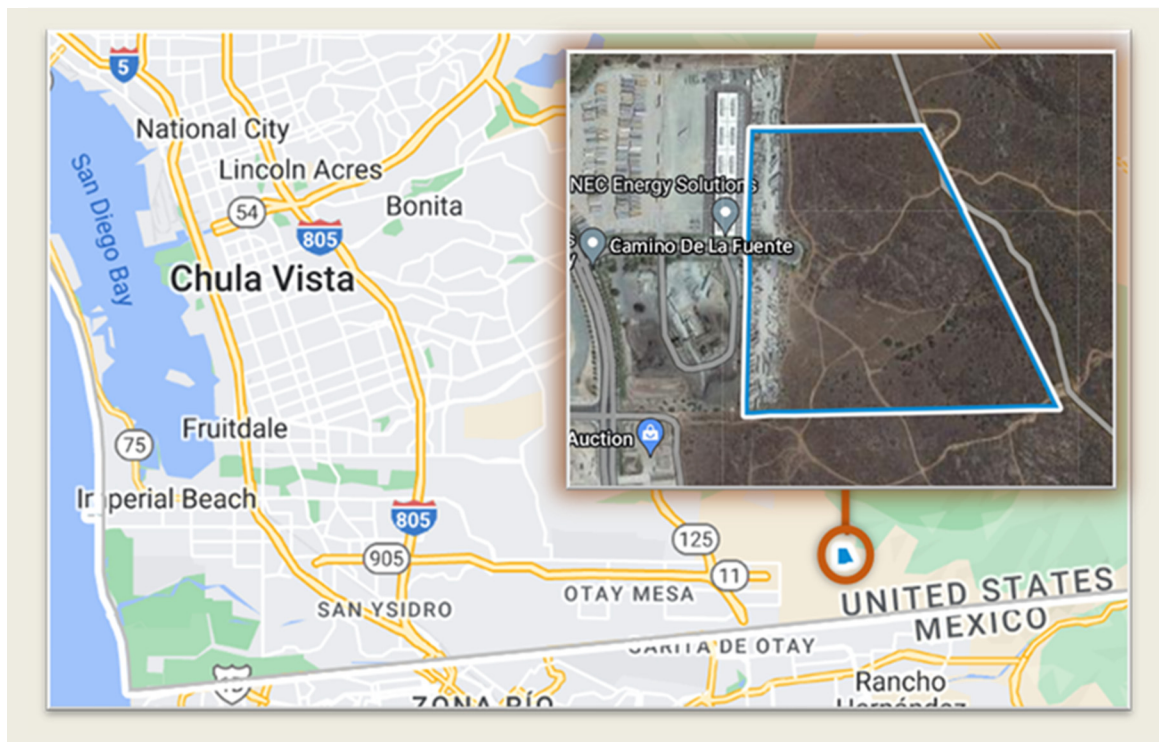
BACKGROUND

Applicant Request

San Diego LAFCO has received a change of organization proposal initiated by an interested landowner – D&D Landholdings and Alta Parcels, L.P (David Wick) – requesting approval to annex approximately 35.3 acres of unincorporated territory in East Otay Mesa to County SD. The affected territory as submitted comprises two entire legal parcels presently undeveloped with surface improvements to accommodate its present use as short-term parking premises for commercial trucks passing through the nearby port of land entry. The County of San Diego Assessor’s Office identifies the subject parcels as 648-040-42 and 648-040-40. The two subject parcels are also assigned a common situs of 637 Camino de la Fuente.

Regional Setting

The affected territory lies in southern San Diego County within the unincorporated community of East Otay Mesa. Principal access to the affected territory is provided by Otay Mesa road via Paseo de la Fuente with connectivity therein to State Highways 125 (north-south) and 905 (west-east). Most of the surrounding area is under light industrial use and activities. The affected territory lies within County Supervisorial District No. 1 (Nora Vargas), Assembly District No. 75 (Marie Waldron), and Senate District No. 18 (Steve C. Padilla). An aerial map of the affected territory and its regional setting follows. Attachment One shows the affected territory relative to the proposed boundary change involving County SD.



Subject Agencies

The proposed change of organization filed with San Diego LAFCO involves one subject agency: County SD.¹ A summary of the subject agency in terms of governance, resident population, municipal functions, and financial standing follows.

- **County SD** is a dependent special district governed by the County of San Diego and serves as successor agency to a multi-agency consolidation completed in 2010. The lone active service function is wastewater (collection, treatment, and disposal classes). The jurisdictional boundary spans 46 square miles – or 29,571 acres – and is divided between seven distinct service areas with a combined LAFCO estimated resident population of 141,950. The affected territory subject to the proposal before LAFCO lies in the greater “East Otay Mesa” service area. County SD convey flows to the City of San Diego’s adjacent collection system and thereafter to the Point Loma Treatment Facility; the latter operated by the Metro Wastewater Joint Powers Authority with the District as one of the signatories. LAFCO established a sphere of influence for County SD in 2010 with an overall larger-than-agency designation. The sphere was most recently updated in 2019 and excludes 2,106 jurisdictional acres (mostly in the Bonita area) and includes 9,379 non-jurisdictional acres (mostly in Spring Valley area). The most recently prepared audit shows San Diego County SD’s net position at \$139.8 million as of June 30, 2022, and reflects an overall increase of 10.0% over the prior three fiscal years.

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of eight local agencies directly subject to San Diego LAFCO’s planning and regulatory responsibilities. These agencies qualify as “affected agencies” relative to the proposed change of organization and listed below.²

- County Flood Control District
- County Service Area No. 122 (Otay Mesa)
- County Service Area No. 135 (Regional Communications)
- County Street Lighting District
- Metropolitan Water District of Southern California
- Otay Water District
- San Diego County Fire Protection District
- San Diego County Water Authority

The affected territory also lies within the following school and college districts, and accordingly have received notice of the proposal: San Ysidro Elementary School District; Sweetwater Union High School District; and Southwest Community College District.

¹ State law defines “subject agency” to mean any district or city for which a change of organization or reorganization is proposed.

² 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.

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the change of organization proposal to annex the affected territory to County SD to make available public wastewater services. The Commission may also consider applying conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to proposal purpose, development impacts, and Commission focus follows.

Proposal Purpose

The purpose of the proposed change of organization before San Diego LAFCO is to make available County SD’s public wastewater service and in doing so facilitate the planned placement and connection of 32’ x 8’ on-site restroom trailer. The actual placement and connection of the restroom trailer would follow the change of organization and done so after the landowner and/or their lessee applies and receives a wastewater discharge permit from County SD. The timing of the proposal ties to the current lessee’s expressed interest to provide restroom facilities to accommodate the expected increase in commercial truck usage of the affected territory in step with the pending opening of the Otay Mesa East Land Port of Entry. Establishment of wastewater would add to existing services to the affected territory that include community planning, law enforcement, and roads from the County of San Diego, fire protection and emergency medical from San Diego County Fire Protection District, and domestic water from Otay Water District.

Development Opportunities

The County of San Diego General Plan designates both legal parcels within Specific Planning Area Use Regulations (S88). Specific development policies are delegated to the Otay Subregional Community Plan or more specifically to the East Otay Mesa Specific Plan Area. The present zoning within the specific plan designates the affected territory as Mixed Industrial Use (M56) with a focus on wholesale storage and distribution, research services, and general industrial uses. This latter assignment provides a minimum lot size of 15,000 square-feet or 0.34 acres.

Commission Focus

Three central and sequential policy items underlie San Diego LAFCO’s consideration of the proposed change of organization. These policy items take the form of determinations and orient the Commission to consider the stand-alone merits of (a) sphere of influence amendment, (b) timing of the change of organization itself, and (c) whether modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in, and outside LAFCO law as further detailed in the proceeding section.

ANALYSIS

San Diego LAFCO’s analysis of the proposed change of organization is divided into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section relative to both statutory and local policy considerations. The second subsection considers other germane issues and highlighted by applicability under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 |

Conforming Sphere of Influence Amendment

The proposed change of organization necessitates San Diego LAFCO to consider a conforming sphere of influence action for the subject agency to achieve consistency with the requested jurisdictional changes as required under statute and practice as detailed. Consideration of the amendment is premised on LAFCO’s statutory responsibility to designate spheres to demark the affected agencies’ appropriate jurisdictional boundary and/or service areas now and into the immediate future as determined by the Commission. This includes demarking the Commission’s expectation of responsibilities for one or more specified municipal services. The amendment prompted by the proposed change of organization involves County SD.

The proceeding analysis is organized to consider three related factors necessitated under statute and local policy. The statutory factors relate to an informing municipal service review along with addressing the general relationship between the agency and affected territory.³ Local policies involve consideration of L-102 and its provisions to guide sphere actions in San Diego County. Analysis of these three sphere factors follow.

- Sphere Factor No. 1:
Consideration of a Municipal Service Review

Statute requires LAFCO to prepare municipal service reviews to inform its related task to regularly review and update all local agencies’ spheres of influence. The statute further directs LAFCO perform sphere updates every five years as needed. The most recent municipal service review prepared by LAFCO germane to the proposal was completed in 2019. The information provided in this most recent municipal service review remains relevant and timely. Among other germane observations, the municipal service review includes the following conclusionary statements on County SD and highlights its overall macro service capacities:

“County SD has adequate capacity in six of its seven service areas – Alpine- Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – to accommodate current and projected near-term demands. This comment is substantiated given none of the systems’ average demands generated during the five-year report period exceed

³ Reference to Government Codes 56430 and 56425, respectively.

60% of their associated capacities. Capacity in the seventh service area – Winter Gardens – is more limited with average demand tallying 89%.”

“County SD has experienced a steady decline in its net position during the five-year report period with an overall decrease – and excluding pension obligations – of (1.4%) due to ongoing margin losses that underlie a (38.1%) change in its operating reserve ratio. This decline is largely attributed to San Diego County SD implementing a five-year rate restructure that draws down on reserves in phasing an ultimate 45.0% raise in customer wastewater rates by 2021-2022. Notwithstanding this recent draw down, San Diego County SD remains in good overall financial standing and finished the period with relatively healthy levels of liquidity and capital with the latter reflected by a debt ratio of less than 10%.”

- Sphere Factor No. 2:
Consideration of the Agency-Affected Territory Relationship
-

The Legislature prescribes consideration of five factors anytime LAFCOs act on spheres of influence. These factors parallel the macro topics in municipal service reviews with a generalized focus on the relationship with the affected territory – including service needs and adequacy of available services. The factors also orient the Commission to broadly consider the relationship between current and planned land uses in the affected territory plus – and as needed – effects on qualifying disadvantaged unincorporated communities. The factors and staff analysis follow.

- With respect to **present and planned land uses**, the affected territory as submitted comprises two unincorporated parcels within the community of East Otay Mesa. The County of San Diego zones the affected territory of Mixed Industrial Use. The subject lots are presently used as a commercial truck staging and waiting lot associated with the Otay Mesa Land Port of Entry. A second land port – East Otay Mesa – is scheduled to open in 2024 and expected to increase the daily usage within the affected territory. This present and planned use is readily compatible with the proposal and conforming sphere amendment.
- With respect to **present and probable need for one or more public services**, there is pending need for public wastewater services within the affected territory to accommodate the existing usages as a commercial truck staging and waiting lot. This pending need is readily compatible with the proposal and conforming sphere amendment.
- With respect to **overall adequacy of the agencies’ public services**, a 2019 municipal service review on County SD attests to the overall sufficiency of resources (infrastructure, finances, etc.) to provide wastewater to the affected territory. Additional analysis on the ability to accommodate the underlying project is included in the proceeding section. No material deficiencies have been identified by LAFCO staff as part of the proposal review.

- With respect to **social or economic communities of interest if relevant to the agencies**, the affected territory lies immediately outside County SD’s sphere of influence and jurisdictional boundary. Amendment to the sphere to include the affected territory would serve to establish direct social and economic ties between the affected territory and County SD and mirror the interests the District maintains within the immediate region.
 - With respect to **present and probable need for services involving any disadvantaged unincorporated communities**, none of the affected territory qualifies under LAFCO statute.
- Sphere Factor No. 3:
Consideration of Policy L-102

San Diego LAFCO’s policies guiding sphere of influence actions are primarily codified under L-102. This policy was adopted in August 1990 and last substantively updated in June 2000. It directs the Commission to utilize spheres to guide deliberations on future changes of organizations and in doing so – and among other growth management objectives – help reflect and preserve community identities. The policy further directs LAFCO to use spheres to discourage duplication of municipal services and similarly encourages local agency consolidations, whether functional or political.

The sphere of influence amendments necessary to accommodate the proposed change of organization conforms with L-102. Most directly, the amendments would facilitate a known and otherwise modest jurisdictional change.

CONCLUSION | MERITS OF A CONFORMING SPHERE OF INFLUENCE AMENDMENT

The conforming sphere of influence amendment to accommodate the proposed change of organization is sufficiently justified under both statute and local policy. Justification is marked by the preceding analysis and largely premised on the following two related assumptions. First, it is assumed the Commission determines the 2019 municipal service review completed on County SD adequately informs the membership in assessing County SD’s overall abilities and resources to provide wastewater service to the affected territory. Second, it is assumed the Commission agrees the transition of the affected territory into County SD’s sphere is in the best interest of the community’s economic and social well-being now and going forward irrespective of the merits of the actual timing of the change of organization.

Item No. 2 | Change of Organization Timing

San Diego LAFCO’s consideration of the proposed change of organization’s timing draws on analyzing baseline factors required in statute as well as applicable policies set by the Commission. Most of the baseline factors in statute focuses on disclosing and otherwise addressing compatibility issues with external goals and policies of other State, regional, and local agencies as well as assessing the ability of subject agencies providing services going forward.⁴ Applicable local policies prompted for consideration are headlined by L-107 and its attention to disclosing and/or addressing any known or perceived jurisdictional disputes.

Analysis of these two related timing factors follows.

- Timing Factor No. 1:

Baseline Considerations: Regional Policies + Service Relationships

State law prescribes the mandatory consideration of certain and multifaceted factors anytime LAFCOs consider jurisdictional changes. These factors range in substance from disclosures – such as the affected territory’s current land uses, assessed values, registered voter counts, and so on – to discretionary analyses. This latter category is highlighted by evaluating the proposed annexation’s relationship to community needs as well as the service capacities and related financial resources of the subject agency. A summary of key conclusions generated in reviewing these discretionary matters for the proposed change of organization regarding (a) service needs, (b) service availability and capacities, and (c) related financial considerations follow.

- With respect to **service needs**, the affected territory’s existing and planned light industrial use merits public wastewater. Annexation of the affected territory to County SD for purpose of establishing public wastewater service accommodates this need and serves as a preferred alternative to the use of portable facilities as well as – if permissible – an onsite septic system.
- With respect to **service availability and capacities** County SD has available and sufficient collection and contracted treatment capacities to accommodate projected service demands in the affected territory at its planned maximum uses. Additional details follow. An existing County SD wastewater main is located immediately south of the affected territory within the public right-of-way on Camino de la Fuente. It is projected the maximum average day wastewater flow generated within the affected territory is 576 gallons. This projected amount can be readily accommodated by County SD and represents 0.082% of its available treatment capacity remaining within its wastewater system.⁵ Ultimate buildout would include two additional units and increase the average day wastewater flow to 1,152 gallons per day or 0.165% of the remaining available capacity.

⁴ Reference to Government Code Section 56668.

⁵ San Diego County SD’s existing average day wastewater flow is 0.3 million gallons, which equals 30% of overall capacity allowed within the Metropolitan Wastewater System for East Otay Mesa. The allowable maximum wastewater flow capacity of the San Diego County Sanitation District within METRO is 1 million gallons per day.

- With respect to **related financial considerations**, County SD has adequate financial resources and related administrative controls to provide wastewater services to the affected territory in support of its planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of recent audited statements, which shows the County SD having established favorable liquidity and capital levels and highlighted by a current ratio of 93 to 1 and debt ratio of less than 1.0%. These measurements provide reasonable assurances of the County SD’s effective financial management and helps lessen concerns regarding recent – albeit minimal – losses marked by an average total margin of (0.05%) over the last 36 months.
- Timing Factor No. 2:
Consideration of Policy L-107

San Diego LAFCO adopted L-107 in May 2010 to require all applicants to disclose jurisdictional disputes or related items that are associated with their proposal filings. If applicable, and unless waived by the Executive Officer, the policy requires applicants and/or their representatives to consult with opponents to resolve any known issues – concerns, disputes, etc. – before the item is formally considered by the Commission.⁶ If an agreement is reached through the consultation process, the policy states the Commission shall consider the provisions as part of the application. If an agreement is not reached despite exhausting good-faith efforts, the policy states the Commission shall proceed to consider the application as submitted.

No jurisdictional disputes have been disclosed by County SD. LAFCO staff, similarly, has not identified any disputes or related concerns involving other local agencies in the administrative review.

**CONCLUSION |
MERITS OF CHANGE OF ORGANIZATION TIMING**

The timing of the change of organization to annex the affected territory to County SD to accommodate public wastewater service is warranted. Justification is marked by the preceding analysis and appropriately syncs the need for public wastewater service in a developing area in a manner responsive to existing infrastructure. Additional analysis supporting the conclusion is provided in Appendix A.

⁶ The Executive Officer retains discretion to determine the extent of consultation needed.

Item No. 3 | Modifications and Terms

No modifications to the submitted change of organization have been identified by San Diego LAFCO staff meriting Commission consideration at this time. This includes confirmation that the annexation of the affected territory would not generate any corridors and/or otherwise illogical jurisdictional features. Staff separately believes approval terms are appropriate and marked by imposing a special condition to help ensure the premise of the proposal – and importantly the related analysis performed therein by LAFCO staff – comes to fruition. The recommended special term requires the applicant as landowner or their lessee to file a complete application with County SD for a wastewater discharge permit for the affected territory. The application shall be scaled to only accommodate the use (i.e., approximate 32’ x 8’ toilet trailer) attested in the application materials to LAFCO and summarized in the letter received on September 25, 2023. Other standard terms would also apply.

CONCLUSION | MODIFICATIONS AND TERMS

No modifications appear warranted.

Approval terms are recommended and includes a special condition to require the applicant as landowner and/or their lessee to file a complete permit application with the County SD to obtain a wastewater discharge permit for the affected territory. The permit application shall be scaled to only accommodate the expected placement and connection of an approximate 32’ x 8’ toilet trailer as attested by the applicant. This condition remedies the Commission’s otherwise timing preference and practice to require approved development plans – including permits – and relatedly provides reasonable assurances the expectations underlying the staff analysis will materialize in the near term.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. Staff has confirmed the County Board of Supervisors has adopted a master agreement to govern the tax exchange for the proposed change of organization. The master agreement specifies no transfer of property taxes would occur following the annexation of the affected territory to County SD.

Environmental Review

San Diego LAFCO is obligated under CEQA to assess whether environmental impacts would result from activities approved under the Commission’s authority, either as a lead or responsible agency. The Commission is tasked with making two distinct findings under CEQA in consideration of the proposed change of organization. Staff’s analysis follows.

- San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. It is recommended the Commission find this action – and specifically the amendment of the County SD’s 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.
- San Diego LAFCO also serves as lead agency under CEQA for the change of organization itself given it has been initiated by landowner petition. Staff believes it would be appropriate for the Commission to find this action – and specifically the annexation of the affected territory to the County SD – as a project under CEQA but exempt from further review under State CEQA Guidelines Section 15319(a) and its cross-reference to Section 15303 (d). This exemption appropriately applies given the proposed change of organization involves the extension of public wastewater service to accommodate small structures.

Protest Proceedings

Protest proceedings for the proposed change of organization may be waived by San Diego LAFCO should the Commission proceed with an approval under Government Code Section 56662. The waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law; the subject agency has not filed an objection to the waiver; and the landowners have consented to the underlying action.⁷

RECOMMENDATION

Staff recommends conditional approval of the change of organization proposal as submitted along with a conforming sphere of influence amendment as detailed. This recommendation and ancillary actions are consistent with Alternative One as listed in the proceeding section.

⁷ LAFCO law defines uninhabited as territory in which less than 12 registered voters reside.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):

Adopt the attached draft resolution conditionally approving the proposal as submitted (without modifications) and conforming sphere of influence amendment along with making required findings under CEQA. Protest proceedings would also be waived.

Alternative Two:

Continue consideration to the next regular meeting.

Alternative Three:

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

VI. PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO’s agenda for action as part of a noticed public hearing given the associated need for a sphere of influence amendment. The following procedures are suggested.

1. Commissioner disclosures, if any.
2. Receive verbal presentation from staff unless waived.
3. Open the public hearing and invite testimony beginning with the applicant.
4. Discuss the item and consider the staff recommendation.

On behalf of the Executive Officer,



Carolanne Ieromnimon
Analyst II

Appendices:

- A) Analysis Boundary Change Factors

Attachments:

- 1) Map of the Affected Territory
- 2) Draft LAFCO Resolution of Approval
- 3) MSR Prospectus: San Diego County Sanitation District
- 4) Application Materials

APPENDIX A

Government Code Section 56668

Proposal Review Factors

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

The affected territory as submitted comprises two unincorporated parcels in the community of East Otay Mesa which collectively span approximately 35.3 acres total. The subject parcels are undeveloped with surface improvements tied to the current use as a commercial truck staging/waiting lot. The County of San Diego Assessor’s Office assigns subject parcels as 648-040-40 and 648-040-42 with a total land value of \$46,835. Additional – and potentially significant – industrial growth as planned in the County General Plan is anticipated in the surrounding area over the next 10 years.

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

The County of San Diego serves as the primary purveyor of general governmental services to the affected territory. These governmental services include community planning, roads, and law enforcement. Other pertinent service providers include County Service Area No. 135 (regional communications), Otay WD (domestic water), and San Diego County Fire Protection District (fire protection and emergency medical). This proposal affects only wastewater and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**

The affected territory presently uses portable bathroom facilities in conjunction with its current use as a commercial truck staging/waiting lot. Connection to County SD is readily available through an existing wastewater main located within public right-of-way on Camino de la Fuente. The projected average daily wastewater flow for the affected territory at its maximum use under current zoning is 576 gallons. This projected amount can be readily accommodated by County SD and represents 0.082% of its available treatment capacity remaining within its wastewater system. Ultimate buildout would include two additional units and increase the average day wastewater flow to 1,152 gallons per day or 0.165% of the remaining available capacity.

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

Approving the change of organization and annexation therein to County SD would formalize and strengthen economic and social ties between the District and the affected territory. These ties were initially created in 2011 – at the time of formation – when the Commission included most of the surrounding region within County SD’s sphere of influence.

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 change of organization and annexation to County SD would facilitate the expected placement and connection of a toilet trailer and done so with the anticipated increase in truck activity tied to the pending opening of the Otay Mesa East Land Port of Entry. Approval would be consistent with the Commission’s adopted policies to sync urbanized uses with urbanized services. The affected territory does not contain “open-space” as defined under LAFCO law and no conflicts exists under Government Code Section 56377. Additional analysis concerning conformance with germane Commission policies follows.

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

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

The affected territory does not contain “prime agricultural land”, or “agricultural land” as defined under LAFCO law. 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 proposal and annexation to County SD 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 that appears consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the map and geographic description by the County Assessor’s Office and

address any modifications enacted by the Commission. No irregular or otherwise illogical boundary features would be generated from proposal approval.

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

The proposed change of organization would facilitate the extension of public wastewater service to the affected territory and in doing so accommodate the current and planned use as a commercial truck straging/waiting lot. The proposal and its anticipated outcomes do not generate any known conflicts with *San Diego Forward*, the regional transportation plan adopted by the San Diego Association of Governments.

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

The County of San Diego General Plan designates the affected territory within Specific Planning Area Use Regulations (S88). Specific development policies are delegated to the Otay Subregional Community Plan or more specifically to the East Otay Mesa Specific Plan Area. The present zoning within the specific plan designates the affected territory as Mixed Industrial Use (M56) and provides a minimum lot size of 15,000 square-feet.

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

See page 5 of the agenda report.

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

Notice of the submitted change of organization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on September 25, 2023.

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.

Information collected and reviewed as part of this proposal indicates County SD has sufficient and available financial resources and administrative controls therein relative to providing public wastewater to the affected territory without adversely impacting existing ratepayers. This statement is supported by the following factors.

- San Diego County SD’s last audit covers 2021-2022 and shows the District finished with ample liquidity levels with an agency-wide current ratio of 93 to 1 (i.e., \$93.7 in current assets for every \$1.00 in current liabilities).

- San Diego County SD finished 2021-2022 with high capital levels and marked by a low debt ratio of 0.30% (i.e., only \$0.30 out of every \$100.00 in net assets are financed.)
- San Diego County SD has experienced a downward trend in each of the last three audited fiscal years with an average total margin of (0.05%). The most recent year – 2021-2022 – the District finished with an overall total margin of 9.9%.

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

The affected territory’s existing light industrial uses are presently within and connected to Otay WD’s retail potable water system with wholesale supplies provided by the San Diego County Water Authority. Approval of the proposed change of organization would not affect the timely availability of water supplies to the affected territory.

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 change of organization would not impact any local agencies in accommodating their regional housing needs.

n) Any information or comments from the landowners, voters, or residents.

The affected territory is considered uninhabited as defined by LAFCO law (containing 11 registered voters or less). The landowners support the proposed change of organization and have provided written consent to the proceedings.

o) Any information relating to existing land use designations.

See above analysis for (h).

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

The change of organization is expected to have a positive impact on environmental justice by further promoting the availability of public wastewater service within the affected territory and in doing so provide further protections within the watershed. Consideration of existing environmental justice factors within the affected territory draw on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two composite percentile rankings for the affected territory are generated within this analysis and involves (a) pollution burdens and (b) susceptible population to pollution burdens relative to all census tracts in California.

- The affected territory’s **composite pollution burden ranking** falls in the 57 percentiles with an internal range between 0 to 99 percentiles. Eight pollution burden measurements exceed the 50 percentile and considered relatively high. These eight measurements comprise (a) three indicators involving PM 2.5, toxic releases, and traffic as well as (b) five environmental effects involving cleanup sites, groundwater threats, hazardous waste, solid waste, and impaired water.
- The affected territory’s **composite susceptible population** ranking falls in the 31 percentiles with an internal range between 14 to 71 percentiles. Two of these at-risk groups exceed the 50 percentile and involves individuals with limited education and linguistic isolation. These two measurements also exceed the 70-percentile and are considered significant in magnitude.

A summary of all tracked pollution burdens and susceptible population follows.

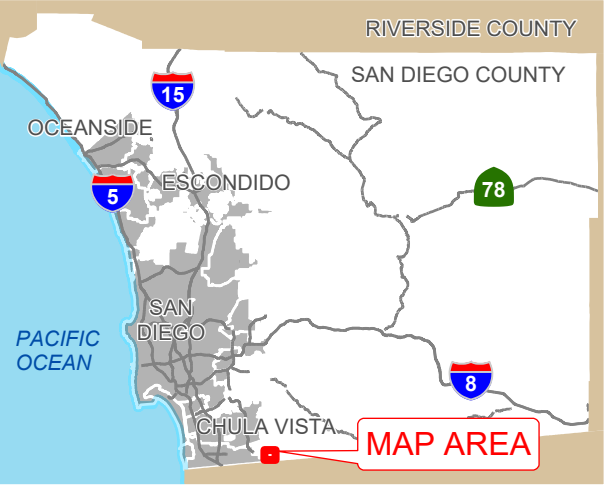
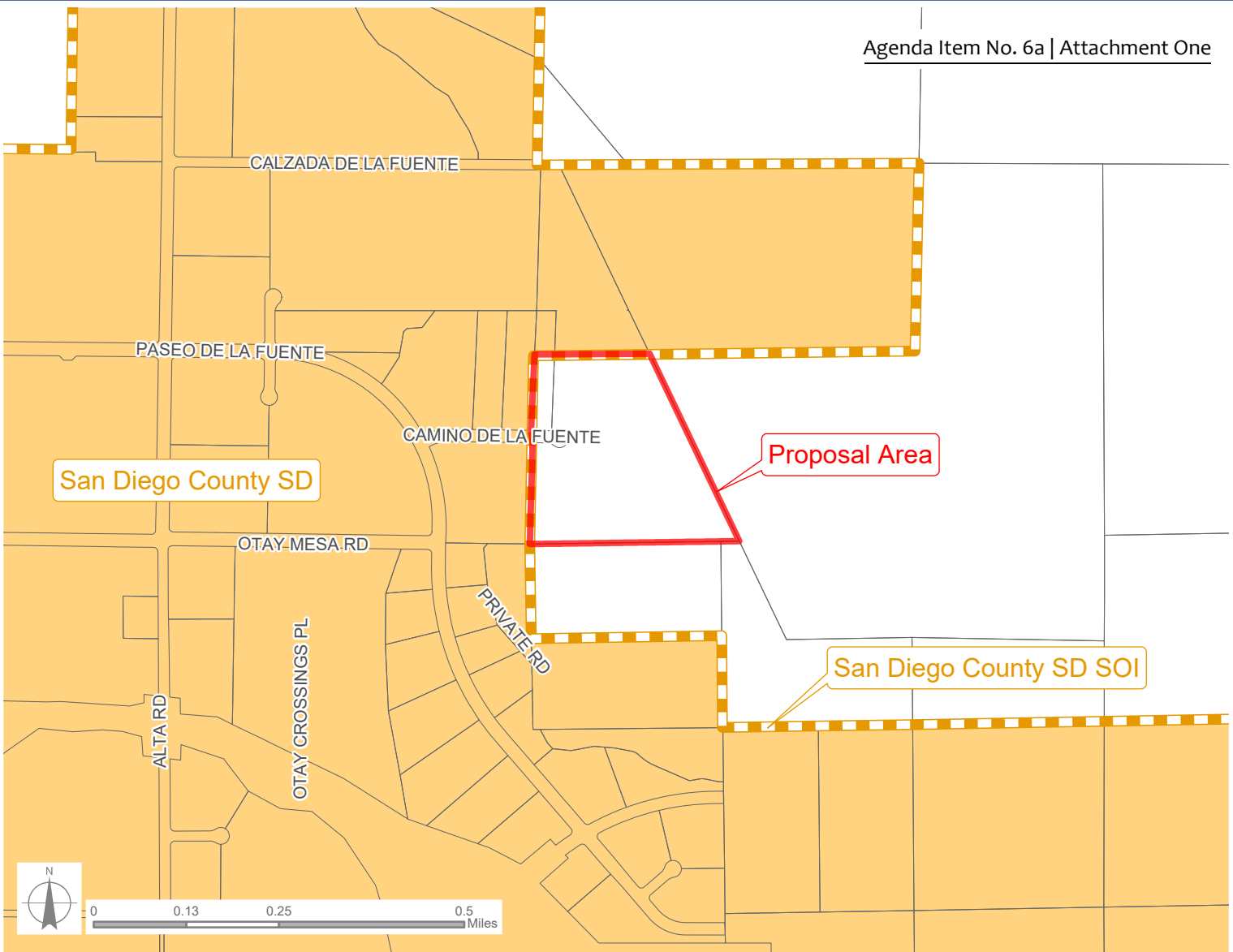
APNs 648-040-40 & 648-040-42 Pollution Burdens and Susceptible Population Table 2.6a (Source: California Environmental Protection Agency and SD LAFCO)	
Factor	Affected Territory + Surrounding Lands
Census Tract No.	6073010015
Estimated Population	3,821
Pollution Burden	Weighted Percentile
... Percentile	92.77
Indicator Air Quality: Ozone	40.01
Indicator Air Quality: PM 2.5:	92.98
Indicator Air Quality: Diesel PM:	38.73
Indicator Pesticides:	0.00
Indicator Toxic Releases:	91.50
Indicator Traffic:	99.74
Indicator Drinking Water Contaminants:	24.47
Indicator Lead in Housing:	24.70
Effects Cleanup Sites:	61.38
Effects Groundwater Threats:	72.49
Effects Hazardous Waste:	89.11
Effects Impaired Water:	98.43
Effects Solid Waste:	86.51
Sensitive Population	Weighted Percentile
... Percentile	31.19
Population Asthma:	37.76
Population Low Birth Weight:	14.38
Population Cardiovascular Disease:	27.33
Population Education:	70.22
Population Linguistic Isolation:	70.52
Population Poverty:	38.33
Population Unemployment:	36.44
Population Housing Burden:	26.67

- 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 County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies within a wildfire hazard area as well as a moderate earthquake hazard area.

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

Approval of the change of organization would be in the best interest of the current and future landowners and/or visitors of the affected territory by providing access to reliable public wastewater service going forward.



CO22-20 "CAMINO DE LA FUENTE - WICK CHANGE OF ORGANIZATION" | ANNEXATION TO THE SAN DIEGO COUNTY SANITATION DISTRICT

-  Proposal Area
 -  San Diego County SD SOI
 -  San Diego County SD
- SOI = Sphere of Influence



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

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 Created by Dieu Ngu -- 5/8/2023

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RESOLUTION NO. _____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

**“CAMINO DE LA FUENTE- WICK CHANGE OF ORGANIZATION”
ANNEXATION TO THE SAN DIEGO COUNTY SANITATION DISTRICT AND
CONFORMING SPHERE OF INFLUENCE ACTION
LAFCO FILE NO. CO22-20**

WHEREAS, on November 7, 2022, an interested landowner – D &D Landholdings and Alta Parcels L.P. (David Wick) – filed a petition 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 change of organization to annex approximately 35.3 acres of unincorporated territory within the East Otay Mesa community to the San Diego County Sanitation District; and

WHEREAS, the affected territory as proposed is currently undeveloped with minimal improvements and identified by the County of San Diego Assessor’s Office as 648-040-42 and 648-040-40; and

WHEREAS, 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 change of organization and prepared a report with recommendations; and

WHEREAS, the proposed change of organization necessitates the Commission consider a conforming sphere of influence amendment to accommodate the jurisdictional change; and

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

WHEREAS, staff published a notice of public hearing regarding this proposal in the San Diego Union Tribune on June 19, 2023;

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the proposal on August 7, 2023 and October 2, 2023;

WHEREAS, the Commission considered all the factors required by law under Government Code Sections 56425 and 56668 as well as 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 agency for environmental review of the proposed change of organization under the California Environmental Quality Act (CEQA) as detailed in the Executive Officer's report. The Commission's findings follow.
 - a) San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. It is recommended the Commission find this action – and specifically the amendment of the County SD's 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.
 - b) San Diego LAFCO also serves as lead agency under CEQA for the change of organization itself given it has been initiated by landowner petition. Staff believes it would be appropriate for the Commission to find this action – and specifically the annexation of the affected territory to the County SD – as a project under CEQA but exempt from further review under State CEQA Guidelines Section 15319(a) and its cross-reference to Section 15303 (d). This exemption appropriately applies given the proposed change of organization involves the extension of public wastewater service to accommodate the construction and/or placement of small structures.
4. The Commission **CONDITIONALLY APPROVES** the following amendment to the San Diego County Sanitation District's sphere of influence subject to recordation of a certificate of completion for the proposal.
 - a) The sphere of influence for San Diego County Sanitation District is expanded to include the affected territory as shown in "EXHIBIT A".
5. The Commission's written statement of determinations addressing the mandatory factors required for consideration any time spheres of influence are adopted, amended, or updated under Government Code Section 56425 are addressed in the Executive Officer's written report for the proposal and incorporated herein.

6. The Commission APPROVES the change of organization without modification as described below and subject to conditions as provided. Approval involves all of the following:
 - a) Annexation of the affected territory to the San Diego County Sanitation District as shown in “EXHIBIT B-1” and described in “EXHIBIT B-2.”
7. The Commission CONDITIONS all approvals on the following terms being satisfied by October 2, 2024 unless an extension is requested in writing and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Submittal to the Commission of final 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 \$100.00 to reimburse for filing two CEQA Notices of Exemption consistent with the findings in this resolution.
 - A check made payable to LAFCO in the amount of \$1,327.04 to reimburse for the public hearing notice publication.
 - A check made payable to the State Board of Equalization for processing fees in the amount of \$350.00.
 - d) Confirmation from the San Diego County Sanitation District of its receipt of a complete application for a wastewater discharge permit for the affected territory consistent with the applicant’s attesting provided in “EXHIBIT C.”
8. The Commission assigns the proposal the following short-term designation:
“Camino de la Fuente-Wick Change of Organization”
9. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
10. The Commission waives conducting authority proceedings under Government Code Section 56662.
11. The San Diego County Sanitation District is a registered-voter district.

12. The San Diego County District utilizes the County of San Diego assessment roll.
13. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the San Diego County Sanitation District as provided under Government Section 57328.
14. 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.
15. 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.
16. The Executive Officer is hereby authorized and directed to transmit copies of this resolution as provided in Sections 56880-56882 of the Government Code.
17. All general terms governing annexations authorized under Government Code Section 57300-57354 apply to this reorganization.
18. 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 October 2, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Attest:

Keene Simonds
Executive Officer

EXHIBIT A
SPHERE OF INFLUENCE AMENDMENT

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EXHIBIT B-1
MAP OF THE AFFECTED TERRITORY

-Placeholder-

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EXHIBIT B-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

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EXHIBIT C
APPLICANT ATTESTING

Alta Parcels, L.P./D & D Landholdings

September 25, 2023

Ms. Carol Ieromnimon
San Diego LAFCO
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Subject: Camino de la Fuente-Wick Change of Organization

Ms. Ieromnimon:

This letter is being provided to San Diego LAFCO to further substantiate our intentions in seeking approval of the above-referenced proposal to annex APNs 648-040-40 & 42 to the San Diego County Sanitation District. These parcels are concurrently used under the common situs of 637 Camino de la Fuente. They are presently leased as part of a commercial truck staging and waiting lot operation. We are seeking annexation approval to allow the lessee to separately proceed to file an application with the San Diego County Sanitation District for a wastewater discharge permit to accommodate the placement and connection of an approximate 32' x 8' toilet trailer. No other physical structures or uses are planned. Nonetheless, proceeding now with the annexation with LAFCO streamlines the ability of the lessee to proceed directly with their permit application with the San Diego County Sanitation District.

Respectfully,

Alta Parcels, L.P.
a California limited partnership

By: D & D Landholdings
Its General Partner


By: American International Racing, Inc.
Its General Partner

D & D Landholdings
a California limited partnership

By: American International Racing, Inc.
Its General Partner



David Wick, President



David Wick, President

5440 Morehouse Drive, Suite 4000, San Diego, CA 92121
(858) 623-9000 Fax (858) 623-9009

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Municipal Service Review

SAN DIEGO COUNTY
SANITATION DISTRICT

FINAL

REPORT SUMMARY | August 2019



General Themes and Conclusions

The San Diego County Sanitation District (SD) serves as the successor agency to multiple special districts that were collectively consolidated into one governing entity in 2011 for purposes of streamlining administration and operations of public wastewater services throughout central and eastern San Diego County. San Diego County SD now serves as the single largest special district wastewater utility in the unincorporated area with an estimated full-time population nearing 150,000. This latter amount represents close to one-third of the total unincorporated population and underlies San Diego County SD's integral role in helping the County of San Diego effectuate its land use policies and accommodate housing opportunities for all incomes. Recent growth within San Diego County SD

and its seven service areas follows historical patterns and falls slightly below countywide averages, and reflects the District generally serves more rural and slower-growth oriented communities.

A review of San Diego County SD relative to San Diego LAFCO's growth management tasks and interests as prescribed under statute produces five central conclusions. These conclusions collectively address the availability, need, and adequacy of San Diego County SD's wastewater services and range in substance from addressing demand-to-capacity relationships in all seven service areas to overall financial standing. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2014 and 2018 and detailed in the agency profile.

No. 1

Byproduct of a Successful Reorganization

San Diego County SD has been successful in achieving its formation purpose to improve public wastewater services within its jurisdictional boundary and multiple service areas therein. This improvement is marked by eliminating previously complex and fragmented systems into one streamlined governance structure with greater economies of scale to plan, fund, and implement capital improvements for the benefit of all seven service areas. This success – and among other purposes – serves as a model for other potential reorganizations in San Diego County.

No. 2

Regional Distinctions in Service Areas

San Diego County SD serves two distinct regions with markedly different service needs and demographics. Service needs are bifurcated in intensity with the central service areas – Alpine–Lakeside, East Otay Mesa, Spring Valley, and Winter Gardens – involving collection only in contrast to the eastern service areas – Campo, Julian, and Pine Valley – involving collection, treatment, and discharge. Demographics also show ratepayers in the central service areas are generally younger with additional education and income compared to the eastern service areas.

No. 3

Adequate and Excess Capacities in Most Service Areas

San Diego County SD has adequate capacity in six of its seven service areas – Alpine–Lakeside, Campo, East Otay Mesa, Julian, Pine Valley, and Spring Valley – to accommodate current and projected near-term demands. This comment is substantiated given none of the systems' average demands generated during the five-year report period exceed 60% of their associated capacities. Capacity in the seventh service area – Winter Gardens – is more limited with average demand tallying 89%.

No. 4

Financial Standing Remains Positive

San Diego County SD has experienced a steady decline in its net position during the five-year report period with an overall decrease – and excluding pension obligations – of (1.4%) due to ongoing margin losses that underlie a (38.1%) change in its operating reserve ratio. This decline is largely attributed to San Diego County SD implementing a five-year rate restructure that draws down on reserves in phasing an ultimate 45.0% raise in customer wastewater rates by 2021–2022. Notwithstanding this recent draw down, San Diego County SD remains in good overall financial standing and finished the period with relatively healthy levels of liquidity and capital with the latter reflected by a debt ratio of less than 10%.

No. 5

Defer Comprehensive Sphere of Influence Update

A preliminary review indicates a comprehensive update to San Diego County SD's sphere is merited to consider changes involving several of the service areas. This includes – and among other considerations – expanding the sphere to accommodate future wastewater expansions into adjacent lands qualifying as disadvantaged unincorporated communities. The scale and scope of the update suggests a deferral to the next municipal service review would be appropriate and allow additional time to coordinate with San Diego County SD and other interested stakeholders.



Otay Lake City Reservoir



Recommendations

The following recommendations call for specific action either from San Diego LAFCO and or San Diego County SD based on information generated as part of 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 from the membership and through the adopted work plan.

1. San Diego LAFCO should coordinate with the County of San Diego and develop residential buildout estimates specific to each service area in San Diego County SD and incorporate the information into the next scheduled municipal service review.
2. San Diego LAFCO should coordinate with San Diego County SD to assess opportunities and costs therein to establish public wastewater services for lands adjacent to existing District infrastructure that are urban in nature or qualify as disadvantaged unincorporated communities.
3. San Diego County SD should revisit its agreement with the City of El Cajon to wheel wastewater from the Spring Valley service area to the City of San Diego for treatment and discharge to allow for additional flows given approaching limitations.
4. Unmetered connections to San Diego County SD's collection system in the Spring Valley service area masks true demands generated by the District and merits remedy to more accurately sync future system improvements to user benefits.
5. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with completing an upcoming municipal service review on the City of San Diego and its treatment and discharge of wastewater collected – and from among other sources – San Diego County SD's central service areas.
6. San Diego County SD is currently implementing a five-year rate restructure that will increase rates nine percent annually across all service areas through 2021–2022 with the intent of remedying recent margin losses. The next municipal service review serves as an opportunity for the Commission to revisit the topic and San Diego County SD's ability to effectively realign and match costs with rates in step with considering substantive sphere of influence expansions.



San Diego County SD has been successful in achieving its formation purpose to improve public wastewater services within its jurisdictional boundary and seven service areas therein.



Hillside in
Julian, CA

» Recommendations

7. San Diego County SD and Otay Water District should explore reorganization options in the Jamacha Basin to better economize existing wastewater services in the area.
8. San Diego County SD is partnering with the City of El Cajon, Padre Dam Municipal Water District, and Helix Water District to develop a reuse program to purify collected wastewater into a new water supply in the central service area. This partnership appropriately responds to the need to establish reliable local water supplies in the region and suggest the Commission merits of potentially expanding San Diego County SD powers to include retail recycled water service.
9. San Diego County SD should take additional efforts to distinguish its role to ratepayers as a stand-alone governmental entity separate from the County of San Diego, and this includes – and among other items – posting meeting information along with associated agendas and minutes on its website.
10. San Diego LAFCO should proceed to affirm San Diego County SD’s sphere with no changes with the explicit intention of preparing a comprehensive update ahead and or as part of the next municipal service review in step with a more holistic assessment of wastewater needs within adjacent lands to District service areas.

RECEIVED

**SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION**

NOV 07 2022

SAN DIEGO LAFCO

The following information must be submitted when filing a change of organization or reorganization proposal with the San Diego Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

1. **Completed CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION.**
2. (a) A **certified resolution of application** from an affected city or district; or
(b) A **landowner or registered voter petition** making application to San Diego LAFCO (available from LAFCO or <http://www.sdlafco.org/forms/petition.pdf>).
3. A **metes-and-bounds legal description of the proposal territory perimeter** for the proposed boundary change(s), a **reproducible parcel/plat map**, and a **vicinity map**. For information about mapping requirements, refer to: http://www.sdlafco.org/forms/legal_description.pdf, and contact the County Assessor's Mapping Division at 619/531-5588. The Thomas Brother's Guide may be used for the vicinity map.
4. **Environmental documentation** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only:
- (a) **INITIAL STUDY**: Submit completed form (available from LAFCO) if no environmental review has been conducted;
- (b) **CATEGORICAL EXEMPTION**: Submit document if an agency has certified that the project qualifies for a categorical exemption from CEQA;
- (c) **NEGATIVE DECLARATION (ND)**: Submit document with certifying resolution and Initial Study*;
- (d) **ENVIRONMENTAL IMPACT REPORT (EIR)**: Submit 15 copies of the Final EIR and certifying resolution, plus one copy of the EIR Appendix*.
- * For an ND or EIR, a copy of the receipt for the fee paid to the California Department of Fish and Game must be submitted.
5. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
6. **JURISDICTIONAL CONFLICTS**: If the response to question number 6 on page 3 is "Yes", complete and sign the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf.
7. **Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM AND EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES** (pages 7 and 8 of application).
8. **PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY** (page 9 of application).
9. Completed **SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM** (pages 10-12 of application) from *each* subject agency.
10. **LAFCO processing fees**. The San Diego LAFCO FEE SCHEDULE is available at <http://www.sdlafco.org/document/feeschedule.pdf>, or contact LAFCO staff.

**SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
9335 Hazard Way · Suite 200 · San Diego, CA 92123
(858) 614-7755 · www.sdlafco.org**

RECEIVED

NOV 07 2022

RECEIVED

SAN DIEGO LAFCO CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION

The information in this application is used by LAFCO staff to evaluate proposals for changes of government organization. Please respond to all items in this form, indicating "NA" when an item does not apply.

SUBJECT AGENCY(IES) (City or Special District)	PROPOSED CHANGE OF ORGANIZATION/ACTION (Annexation, detachment, sphere amendment, etc.)
1. San Diego County Sanitation District	1. Annexation
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

As part of this application, the City of _____ or the San Diego County Sanitation District, D&D Landholdings and Alta Parcels, L.P. (the applicant), and/or the _____ (real party in interest): subject landowner and/or registered voter agrees to defend, indemnify, hold harmless, and release the San Diego LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any or all of them, the purpose of which is to attack, set aside, void, or annul San Diego LAFCO's review, approval or denial of this application or adoption of or refusal to adopt the environmental document which accompanies it or any other action San Diego LAFCO takes with respect to this application. This defense and indemnification obligation shall include, but not be limited to, attorneys' fees, expert witness fees and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. Applicant and/or real party in interest agree that San Diego LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest and that San Diego LAFCO's taking such action does not limit the obligations to indemnify and reimburse San Diego LAFCO's defense costs. This defense and indemnification obligation shall apply whether or not there is concurrent passive or active negligence on the part of the San Diego LAFCO, its agents, officers, attorneys, or employee. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. San Diego LAFCO's acceptance of this application is sufficient to make this agreement a binding, bilateral contract between us.

I acknowledge that annexation to the city of _____ or the San Diego County Sanitation _____ district may result in the imposition of taxes, fees and assessments existing within the (city or district) on the effective date of annexation. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot proceeding or an election on those existing taxes, fees and assessments.

Agreed: _____
 Signature: [Signature] Date: 7/24/22

Print/Type Name: David Wick, Secretary of General Partner

Address: 5440 Morehouse Drive, Suite 4000
San Diego, CA 92122 Telephone: (858) 623-9000

Property Address: 637 Camino de la Fuente, San Diego, CA 92154 - 0 access rd, San Diego, CA 92154

Cross Street(s): Paseo De La Fuente & Camino De La Fuente

Assessor Parcel Number(s): 648-040-42-00; portion of 648-040-40-00 Acres: 35.32

Indicate below if anyone, in addition to the person signing this application, is to receive notices of these proceedings.

Name: _____

Address: _____

Telephone: () _____

A. PROPOSAL DESCRIPTION/JUSTIFICATION

1. Explain in detail why the proposal is necessary *at this time* (e.g., condition of an approved tentative map, an existing structure requires new services, etc.). _____

Annexation to the San Diego County Sanitation District: East Otay Mesa Service Area for Assessors Parcels 648-040-42-00 and 648-040-40-00 (portion) to receive Waste Discharge permits from the County of San Diego. Annexation will extend service to the end of Access Road (Camino De La Fuente).

2. Describe the use of *developed* property within the proposal territory, including details about existing structures. Describe anticipated development of *vacant* property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur. _____

Graded land for future industrial, outdoor storage uses.

3. Describe the topography and physical features of the proposal territory, as well as its general location in relation to communities, major freeways/highways, roads, etc. _____

Graded industrial land located at the eastern end of Access Road (Camino De La Fuente).

The property is within the East Otay Mesa Specific Plan area east of Paseo De La Fuente.

4. How many residents live within the proposal territory? 0

5. How many of these residents are registered voters? 0

6. Are there any jurisdictional issues associated with the LAFCO proposal or pending LAFCO action?

NO YES (If yes, please complete the Policy L-107 form at http://www.sdlafco.org/forms/Legislative_Policy_L_107.pdf)

B. LAND USE INFORMATION

GENERAL PLAN AND ZONING:

If the proposal territory is *not* within an incorporated city, San Diego County General Plan and zoning information may be obtained by calling (858) 565-5981 or toll-free (888) 267-8770 with the Assessor Parcel Number(s) of the subject property. If the proposal territory is within a city, please call the appropriate city's planning department for General Plan and zoning information.

1. COUNTY:

(a) The territory is within the East Otay Mesa Specific Plan community plan.

(b) The County General Plan or community plan designation and allowed density: _____
County General Plan zoning S88.

(c) Current County zoning and allowed density: EOMSP Mixed Industrial Zoning. Floor Area Ratio 0.5.

2. CITY:

(a) The territory is within the general plan area for the City of N/A

(b) The City General Plan land use designation and allowed density: N/A

(c) Current City zoning and allowed density: N/A

(d) Current City prezoning and allowed density: N/A

3. Indicate below *all* permits or approvals that will be needed by the County or any city to complete the project. If already granted, please note the date of approval and attach a copy of each resolution of approval. If approval is pending, please note the anticipated approval date.

Type of Approval or Permit	File No.	Approval Date	Is Resolution Attached?
Tentative Subdivision Map			<input type="checkbox"/> YES <input type="checkbox"/> NO
Tentative Parcel Map			<input type="checkbox"/> YES <input type="checkbox"/> NO
Major Use Permit			<input type="checkbox"/> YES <input type="checkbox"/> NO
City/County General Plan Amendment			<input type="checkbox"/> YES <input type="checkbox"/> NO
City Prezoning			<input type="checkbox"/> YES <input type="checkbox"/> NO
County Rezone			<input type="checkbox"/> YES <input type="checkbox"/> NO
(Other)	DPW2020-WWSWCP-00054	09/25/2020	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

4. Describe the land uses surrounding the proposal territory (e.g., residential, commercial, agricultural, industrial, open space, etc.).

North: Industrial East: Industrial
 South: Industrial West: Industrial

5. Indicate with a if any portion of the proposal territory contains the following:

- Agricultural land uses Agricultural Preserve
- Open Space Easement Slopes greater than 25%
- Sewer moratorium area Coastal Permit Zone
- Unusual features such as: _____

6. For city annexation proposals: Is any part of the proposal territory under a Williamson Act contract? If yes, please contact the LAFCO office for special instructions regarding petition/resolution of application requirements. YES NO

C. PUBLIC SERVICES INFORMATION

SEWER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public sewer service? YES NO
(b) *If yes*, which agency? San Diego County Sanitation District
2. (a) Is a developed parcel in need of annexation due to failed septic system? YES NO
(b) *If yes*, include a copy of any letters from the San Diego County Department of Environmental Health or private septic-system company.
(c) *If no*, is annexation for sewer service part of this application? YES NO
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? San Diego County Sanitation District
4. (a) Has the agency that will be providing service issued a letter of sewer availability? YES NO
(b) *If yes*, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. (a) Will the agency be prepared to furnish sewer service upon annexation? YES NO
(b) *If no*, please explain: _____

WATER SERVICE:

1. (a) Is the proposal territory within a district or city that provides public water service? YES NO
(b) *If yes*, which agency? Olay Water District
2. Is a well or other on-site water system currently used on the property? YES NO
3. Is an on-site system proposed to be used when the property is developed? YES NO
4. (a) Is annexation for water service part of this application? YES NO
(b) *If yes*, which district or city would serve the territory if this jurisdictional change is approved? _____
(c) Will the agency that will be providing service be prepared to furnish water service upon annexation? YES NO
5. (a) Has the agency that will be providing service issued a letter of water availability? YES NO
(b) *If yes*, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES: NOTE: Complete the following section **only** if annexation to a fire protection service provider is proposed—or if the current fire protection service provider is proposed to change.

1. (a) Is the proposal territory **currently** within an agency that provides fire protection? YES NO

(b) **If yes**, provide name and address/location of current fire service provider

(c) Provide estimated response times to the proposal territory:

priority _____ minutes; non-priority _____ minutes

2. Is annexation for fire protection service part of this application? YES NO

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

(a) Location/address of the proposed fire service provider: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

POLICE PROTECTION SERVICES: NOTE: Complete the following section **only** if the police protection provider is proposed to change.

1. Which police agency **currently** serves the proposal territory?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory: priority _____ minutes; non-priority _____ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

(a) Location/address of nearest police station: _____

(b) Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

CAMPAIGN CONTRIBUTION DISCLOSURE PROVISIONS

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Diego LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party¹ or agent² while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.

2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.

3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

¹ "Party" is defined as any person who files an application for, or is the subject of, a proceeding.

² "Agent" is defined as a person who represents a party in connection with a proceeding. If an individual acting as an agent also is acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar entity or corporation, both the individual and the entity or corporation are agents. When a closed corporation is a party to a proceeding, the majority shareholder is subject to these provisions.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated.

Names of current LAFCO commissioners are available at <http://www.sdlafco.org/document/CommRoster.pdf>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Diego LAFCO at 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

(a) Proposed change(s) of organization: _____

(b) Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1. N/A

2. _____

(c) Date and amount of contribution:

Date _____ Amount \$ _____

Date _____ Amount \$ _____

(d) Name of commissioner to whom contribution was made:

1. _____

2. _____

(e) I certify that the above information is provided to the best of my knowledge.

Printed Name _____

Signature David Wick

Date 7/26/22 Phone (858) (622) - 9000

To be completed by LAFCO:

Proposal:

Ref. No.

Ext. 720

DISCLOSURE OF POLITICAL EXPENDITURES

Effective January 1, 2008, expenditures for political purposes, which are related to a change of organization or reorganization proposal that will be or has been submitted to LAFCO, are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

Please carefully read the following information to determine if reporting and disclosure provisions apply to you.

- Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expend \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report to the Commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 (Government Code Section 81000 et seq.) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
- Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 et seq.). Applicable reports must be filed with the Secretary of State and the appropriate city or county clerk. Copies of the report must also be filed with the Executive Officer of San Diego LAFCO.
- A roster of current San Diego LAFCO commissioners is available from the LAFCO office: 9335 Hazard Way, Suite 200, San Diego, CA 92123, (858) 614-7755, or from <http://www.sdlafco.org/document/CommRoster.pdf>

EVALUATION CHECKLIST FOR DISCLOSURE OF POLITICAL EXPENDITURES

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 et seq. apply to you. For further assistance contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes

No

Date of contribution _____ Amount \$ _____

Name/Ref. No. of LAFCO proposal _____

Date proposal submitted to LAFCO _____

3. If you have filed a report in accordance with FPPC requirements, has a copy of the report been filed with San Diego LAFCO?

Yes

No

PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY

Note: Processing of jurisdictional boundary change proposals, which involve *uninhabited*¹ territory, can be expedited by approximately 60 days if all affected landowners consent to the proposal. If you wish to take advantage of this option, please return the completed PROPERTY-OWNER CONSENT FORM FOR INCLUSION OF PROPERTY to San Diego LAFCO with your application for a jurisdictional boundary change. If consenting signatures of **100%** of the affected property owners are affixed and LAFCO does not receive any opposition from subject agencies, the Commission may consider the proposal without public notice, public hearing and/or an election.

¹ Territory included within a proposed boundary change that includes less-than 1/2 registered voters is considered *uninhabited* (Government Code 56045).

The undersigned owners(s) of property hereby consent(s) to inclusion of that property within a proposed change of organization or reorganization consisting of:

(Please list all proposed actions)

Annexation to: 1. San Diego County Sanitation District: East Otay Mesa Sewer Service Area
 2. _____
 3. _____

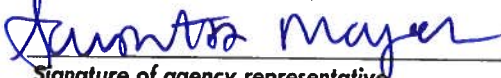
Detachment from: 1. _____
 2. _____
 3. _____

	<u>Date</u>	<u>Signature</u>	<u>Assessor's Parcel Number(s)</u>
1.	7/26/2022		648-040-42-00
2.	7/26/2022		648-040-40-00
3.			
4.			
5.			

Attach additional sheets if necessary

SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM

NOTE: A copy of this form must be completed and signed by each local agency that will gain or lose territory as a result of the proposed jurisdictional boundary change. Attach additional sheets if necessary.



Samantha Mayer

Signature of agency representative

Print name

Engineering Tech

Title

10/19/2022

Telephone

Date

A. JURISDICTIONAL INFORMATION:

Name of agency:

San Diego County Sanitation District

1. Is the proposal territory within the agency's sphere of influence? Yes No
2. Upon annexation, will the proposal territory be included within an assessment district and be subject to assessment for new or extended services? Yes No
3. Does the agency have plans to establish any new assessment district that would include the proposal territory? Yes No
4. Will the proposal territory assume any existing bonded indebtedness? Yes No
If yes, indicate any taxpayer cost: \$ _____
5. Will the proposal territory be subject to any special taxes, benefit charges, or fees? Yes No
If yes, please provide details of all costs: Annexation Fees, Sewer Capacity fees, and Annual Sewer Service Charges
6. Is the agency requesting an exchange of property tax revenues as a result of this proposal? Yes No
7. Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution? Yes No
8. FOR CITY ANNEXATIONS: Does the proposal territory contain existing commercial development that generates retail sales of ten million dollars or more per year? Yes No
9. FOR CITY ANNEXATIONS: If any part of the proposal territory is under a Williamson Act contract, please contact the LAFCO office for special instructions regarding petition or resolution of application requirements.

EXPEDITED PROPOSAL PROCESSING: Processing of jurisdictional boundary change proposals can be expedited by approximately 60 days if all affected landowners consent to the waiver of protest and termination (conducting authority) proceedings and subject agencies do not oppose the waiver. If you do NOT want to waive these proceedings, then attach a written statement to the subject agency information form containing a signature, date, and declaration of opposition to a waiver of such proceedings.

B. SEWER SERVICE:

1. What is the agency's current wastewater treatment capacity (expressed in million gallons per day and equivalent dwelling units)? The San Diego County Sanitation District has a 1 MGD of conveyance and treatment capacity with Metropolitan Sewerage System for East Otay Mesa.

2. What is the average volume of influent currently being treated by the agency (expressed in million gallons per day and equivalent dwelling units)? 0.3 MGD

3. (a) What is the agency's peak flow volume (expressed in million gallons per day)? 1 MGD

- (b) What is the agency's peak flow capacity (expressed in million gallons per day)? 1 MGD

- (c) Has the agency exceeded the flow (peak) capacity within the past two years?

- (d) *If yes*, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: _____ YES NO

4. (a) Has the agency issued a letter of sewer availability for the proposal territory? YES NO

- (b) *If yes*, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

5. (a) How many future equivalent dwelling units have been reserved or committed for proposed projects? 0 EDUs reserved or committed.

- (b) Can all projects that have received commitments of sewer availability (e.g., "will serve letters") be accommodated with planned capacity? YES NO

6. (a) Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposal territory? YES NO

- (b) *If yes*, please specify the proposal territory's estimated sewer demand and the agency's available sewer capacity (expressed in million gallons per day and equivalent dwelling units):
The San Diego County Sanitation District has 1 MGD of sewer capacity for East Otay Mesa.

- (c) *If no*, please describe the agency's plans to upgrade capacity to resolve any capacity related issues: _____

7. Will the proposal territory be annexed to a sewer improvement district? YES NO

8. (a) The distance for connection of the proposal territory to the agency's existing sewer system is N/A feet. DPW2020-WWSWCP-00054

- (b) Describe the location of the connection to the agency's existing sewer system:
Sewer main already exist at the parcel.

C. WATER SERVICE:

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposal territory? YES NO

(b) *If yes*, describe the proposal territory's estimated water demand and the agency's available water supply and capacity (expressed in acre-feet or million gallons per day):

Properties are already part of the Otay Water District Service Area.

(c) *If no*, what plans does the agency have to increase its water capacity?

2. Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development. Indicate the total cost of these improvements and method of financing (e.g., general property tax, assessment district, landowner or developer fees): N/A. Properties are already part of the Otay Water District Service Area. YES NO

3. (a) Has the agency issued a letter of water availability for the proposal territory? YES NO

(b) *If yes*, please provide a copy of the letter. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

4. (a) The distance for connection of the proposal territory to the agency's existing water system is _____ feet.

(b) Describe the location of the connection to the agency's existing water system:

5. (a) Is the agency currently under any drought-related conditions and/or restrictions? YES NO

(b) *If yes*, describe the conditions and specify any related restrictions:

6. (a) Will the proposal territory utilize reclaimed water? YES NO

(b) *If yes*, describe the proposal territory's reclaimed water use and the agency's available reclaimed water supply and capacity (expressed in acre-feet or million gallons per day):

(c) The distance for connection of the proposal territory to the agency's existing reclaimed water system is _____ feet.

(d) Describe the location of the connection to the agency's existing reclaimed water system: _____

(e) *If no*, has the agency considered availability of reclaimed water to the proposal territory? YES NO

(f) What restrictions prevent use of reclaimed water? Otay Water District does not have any
reclaimed water infrastructure.

7. Will the proposal territory be annexed to an improvement district? YES NO

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

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

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

1. Notice is hereby given to circulate a petition proposing to: annex 648-040-42-00 and 648-040-40-00 into the San Diego County

Sanitation District: East Otay Mesa Service Area.

2. The reason(s) for the proposal are: bring sewer service to the remainder portion of Access Road/Camino De La Fuente

that was initially not included the San Diego County Sanitation District East Otay Mesa Service Area. The properties are already included within

Otay Water District's Service Area.

D&D Landholdings, Limited Partnership

Proponent's Name (print)


Signature of proponent or representative

5440 Morehouse Drive, Suite 4000

Proponent's Address

San Diego, CA 92121

City, State, Zip

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

Date

Executive Officer (Print and Sign)

PART II: DISCLOSURE REQUIREMENTS

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

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

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

San Diego Local Agency Formation Commission • 9335 Hazard Way • Suite 200 • San Diego, CA 92123 • 858/614-7755

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

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

- (a) The specific change(s) of organization proposed is/are: Annexation to the San Diego County Sanitation District: East Otay Mesa Service Area for Assessors Parcels 648-040-40-00 and 648-040-42-00.
- (b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.
- (c) The proposed action(s) will be subject to the following terms and conditions: _____
- (d) The reason(s) for the proposal is/are: Annexation required for properties to receive Waste Discharge permits from the County of San Diego. Annexation will extend service to the end of Access Road (Camino De La Fuente).
- (e) Signers of this petition have signed as (select one): landowner; registered voter.
- (f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

- 1. D&D Landholdings, Limited Partnership 5440 Morehouse Drive, Suite 4000, San Diego, CA 92121
Name of chief proponent (print) mailing address
- 2. Alta Parcels, L.P. 5440 Morehouse Drive, Suite 4000, San Diego, CA 92121
Name of chief proponent (print) mailing address
- 3. _____
Name of chief proponent (print) mailing address

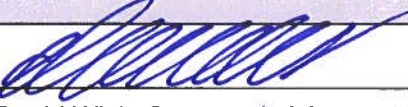
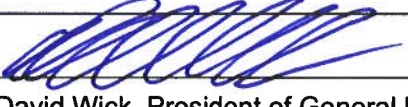
- (g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.
- (h) This proposed change of organization (select one) is is not consistent with the sphere-of-influence of any affected city or district.
- (i) The territory included in the proposal is (select one) inhabited (12 or more registered voters) uninhabited (11 or less registered voters).
- (j) If the formation of a new district(s) is included in the proposal:
 - 1. The principal act under which said district(s) is/are proposed to be formed is/are: _____
 - 2. The proposed name(s) of the new district(s) is/are: _____
- 3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.
- (k) If an incorporation is included in the proposal:
 - 1. The name of the proposed city is: _____
 - 2. Provisions are requested for appointment of: city manager city clerk city treasurer
- (l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: _____

Part IVb: LANDOWNER PETITION

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

Each of the undersigned states:

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

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign  Print <u>David Wick, Secretary of General Partner</u>	648-040-40-00		
Sign  Print <u>David Wick, President of General Partner</u>	648-040-42-00		
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

All that portion of the Southwest Quarter of Section 29 Township 18 South Range 1 East, San Bernardino Meridian, in the County of San Diego, State of California, according to the Official Plat thereof, more particularly described as follows:

Beginning at the Southwest corner of said Section 29; thence (Course 1) North $1^{\circ}35'53''$ East along the West line of said Section 29, a distance of 785.24 feet to the center line of that certain easement for public highway conveyed to the County of San Diego on June 10, 2004 as file/page No. 2004-0544590 Official Records, thence (Course 2) South $89^{\circ}10'03''$ East along said center line 146.67 feet; thence (Course 3) North $1^{\circ}7'23''$ East 569.98 feet to a point on the North line of the South One Half of the Southwest Quarter of said Section 29; thence (Course 4) North $89^{\circ}59'55''$ East along the North line of the South One Half of the Southwest Quarter of said Section 29, 676.74 feet to point on the Easterly boundary of the land described in deed to D & D Landholdings, a California Limited Partnership recorded July 16, 2010 as file/page No. 2010-0356979 Official Records; thence (Course 5) South $25^{\circ}35'42''$ East along the Easterly boundary of the land conveyed to D & D Landholdings 1476.59 feet to a point on south boundary of said Section 29; thence (Course 6) South $89^{\circ}11'42''$ West along the south boundary of said Section 29 1494.51 feet to the TRUE POINT OF BEGINNING.

Containing 33.82 Acres, more or less

Assessor's Parcel No: 648-040-40

All that portion of the Southwest Quarter of Section 29 Township 18 South Range 1 East, San Bernardino Meridian, in the County of San Diego, State of California, according to the Official Plat thereof, more particularly described as follows:

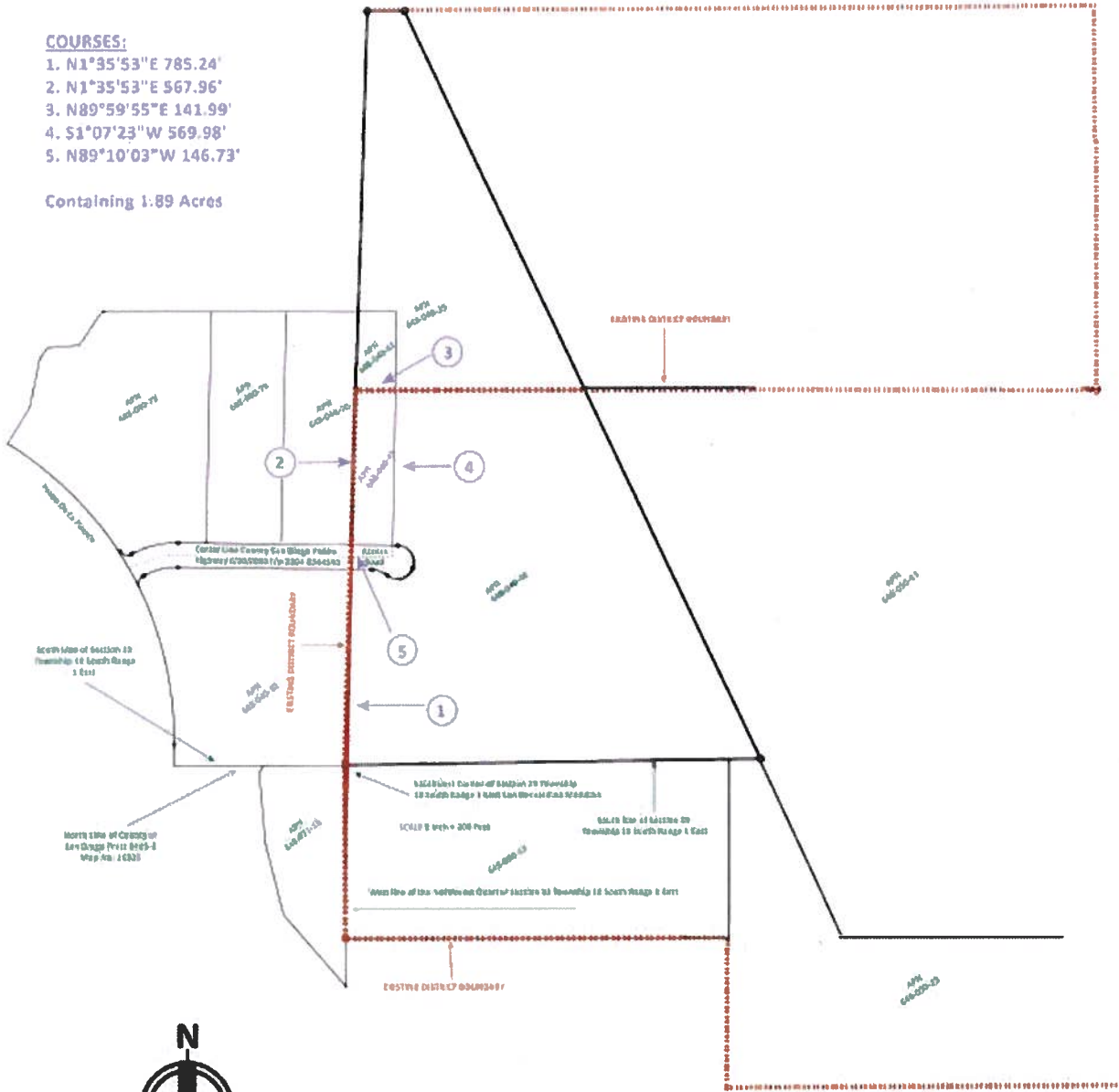
Beginning at the Southwest corner of said Section 29; thence (Course 1) North 1°35'53" East along the West line of said Section 29, a distance of 785.24 feet to the center line of that certain easement for public highway conveyed to the County of San Diego on June 10, 2004 as file/page No. 2004-0544590 Official Records, being the TRUE POINT OF BEGINNING HEREIN; thence continuing along said West line of Section 29, (Course 2) North 1°35'53" East 567.96 feet to the Northwest corner of the South One Half of the Southwest Quarter of said Section 29; thence (Course 3) North 89°59'55" East along the North line of the South One Half of the Southwest Quarter of said Section 29, 141.99 feet; thence (Course 4) South 1°07'23" West 569.98 feet to a point on the center line of that certain public highway described above; thence (Course 5) North 89°10'03" West along the center line of said public highway a distance of 146.73 feet to the TRUE POINT OF BEGINNING.

Containing 1.89 Acres, more or less

COURSES:

1. N1°35'53"E 785.24'
2. N1°35'53"E 567.96'
3. N89°59'55"E 141.99'
4. S1°07'23"W 569.98'
5. N89°10'03"W 146.73'

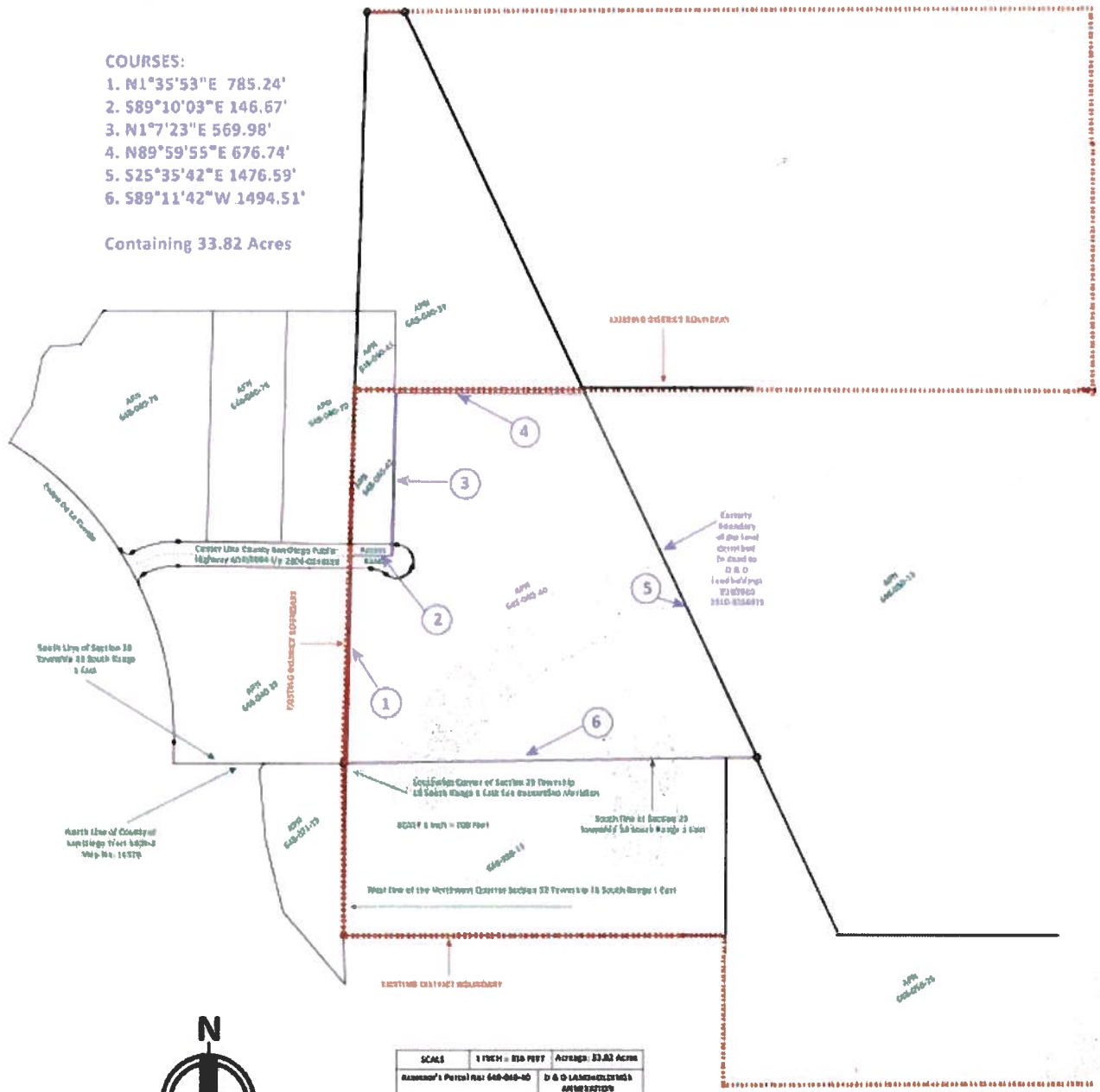
Containing 1.89 Acres



Scale	1" = 200 Feet	Acres 1.89 Acres
Blaseman's Patent No. 042-080-02	Alto Property, L.P.	

- COURSES:**
1. N1°35'53"E 785.24'
 2. S89°10'03"E 146.67'
 3. N1°7'23"E 569.98'
 4. N89°59'55"E 676.74'
 5. S25°35'42"E 1476.59'
 6. S89°11'42"W 1494.51'

Containing 33.82 Acres

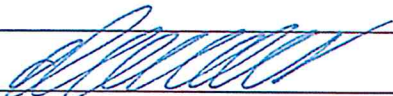
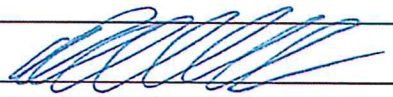


Part IVb: LANDOWNER PETITION

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

Each of the undersigned states:

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

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign  Print <u>David Wick, Secretary of General Partner</u>	648-040-40-00	1/9/2023	
Sign  Print <u>David Wick, President of General Partner</u>	648-040-42-00	1/9/2023	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			



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

7a

AGENDA REPORT
 Business | Discussion

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Carolanne Ieromnimon, Analyst II

SUBJECT: Update to Draft Policy on Out-of-Agency Services

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review an update to a draft policy governing outside service approvals for cities and special districts. The item is part of LAFCO’s adopted workplan and responds to growing attention – and in some instances controversies – involving out-of-agency services due in part to increased communications with local agencies through the municipal service review program. The update incorporates earlier feedback from the Commission following, and subsequent to, reviewing an initial draft at its November 2022 meeting. The aim of the update is to formalize and expand existing practices in administering out-of-agency services activities and in doing so provide clear direction to local agencies to help ensure statutory compliance relative to Commission standards. The item is being presented for discussion and feedback – including whether to add a specific local policy statement to make explicit the Commission determines exemption eligibility – ahead of concluding the public review period and returning for action at a future meeting.

BACKGROUND

Government Code Section 56133

State law was expanded in January 2001 to require cities and special districts to request and receive approval from LAFCOs before providing new or extended services outside their jurisdictions by contracts or agreements. The addition is codified in Government Code Section

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov	Chair Jim Desmond County of San Diego Joel Anderson County of San Diego Nora Vargas, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann Alt. City of Chula Vista	Vice Chair Stephen Whitburn 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	Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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56133 and includes a limited number of exemptions where LAFCOs' approval is not needed. The includes agreements between two or more public agencies where the contract service is an equal substitute for services already provided.

Annual Workplan & Direction to Prepare Policy on Out-of-Agency Services

San Diego LAFCO's current annual workplan was adopted at a noticed public hearing in May 2023 and includes 30 specific projects for the fiscal year with several having been carried over from the prior fiscal year. One of these carried over projects involve establishing formal policies to govern out-of-agency service approvals at LAFCO and in doing so focus on formalizing and expanding on existing practices. An example of the former includes expanding on an existing provision under the personnel policies delegating authority to the Executive Officer to approve emergency out-of-agency service requests.

DISCUSSION

This item is for San Diego LAFCO to review an update to a draft policy to govern the process in receiving, evaluating, and acting on out-of-agency service requests. The update is being presented for discussion and related feedback – including direction on further revisions – as part of an ongoing public review and comment period. The update includes refinement based on earlier input from both the Commission and Special Districts Advisory Committee. The refinement is marked by expanding local exemptions and redirecting certain requests involving public health or safety threats from the Executive Officer to the Commission.

An outline of the key policy provisions reflected in the update follows.

- The update continues to premise the policy on the Commission's preference to consider out-of-agency service requests on an exception basis when otherwise merited services cannot be accommodated through jurisdictional changes.
- The update continues to establish local definitions for "new" and "extended" services and in doing so, frame the overall extent of the Commission's regulation of out-of-agency services as follow.
 - New services would involve the actual delivery of municipal functions or classes to previously unserved non-jurisdictional lands and/or the re-commencement of functions or classes after a discontinuous period of six or more months.
 - Extended services mean the intensification of municipal functions or classes to served (actual) non-jurisdictional lands facilitated by a zoning change.
- The update includes an expanded list of local exemptions in which Commission approval is not required and covers all of the following activities:

- Advisory or automatic aid services provided by a city and/or special district where no monetary compensation is provided other than reimbursements.
- Temporary access to a city and/or special district's potable water or wastewater collection, treatment, and discharge facilities.
- Shared services between two or more agencies where monetary compensation is provided beyond reimbursements for any of the following:
 - Abandon Vehicle Abatement
 - Accounting, Billing, and Payroll
 - Animal Care and Control
 - Building and Code Enforcement
 - Dispatch
 - Grant Writing
 - Information Technology
 - Legal
 - Pooled Equipment Purchasing
 - Pooled Materials Purchasing
 - Pooled Services Purchasing
 - Training
- Amend the existing delegation to the Executive Officer to approve out-of-agency service requests tied to public health or safety threats to only water and wastewater functions. All other requests are redirected to the full Commission.

A copy of the update to the draft policy is attached.

ANALYSIS

The update to the draft policy before San Diego LAFCO serves to help remedy an ongoing omission with respect to providing clear and formal direction to all local agencies on how LAFCO chooses to meet its delegated duty to regulate out-of-agency services. Addressing this omission – markedly – has become a higher priority given increased conversations with cities and special districts through the municipal service review process and the Commission's overall interest to sync spheres of influence to reflect and accommodate orderly service areas. The timing of the policy work also syncs with recent out-of-agency service disputes between local agencies coming forward. Towards this end, and as detailed above, the update to the draft aims to reflect and amplify existing practices that have generally served the Commission well. Proposed local definitions and exemptions similarly reflect existing practices and serves to efficiently scale implementation of Section 56133.

Notwithstanding the above analysis, one prominent issue is unaddressed in the update and involves the decision-making authority in determining exemption eligibility (i.e., when local agencies do not need formal approvals). The earlier draft included a provision making it explicit the Commission exclusively determines exemption eligibility. The earlier inclusion syncs to prior Commission action to support legislation to make this otherwise practiced and assumed provision explicit in statute. However, staff removed the provision in the update at the recommendation of the Special Districts Advisory Committee and done so pending additional feedback by the Commission. Removal follows a lengthy discussion at the Committee's September 15, 2023 meeting where most members voiced concerns an explicit provision directing local agencies to confirm with LAFCO on exemption eligibility would create process burdens and stymie cost-sharing arrangements.¹ Staff's decision to remove the provision in the update – pertinently – allows the Commission to consider the balance of the update and its other provisions while carving out possible feedback on the exemption eligibility topic as Commissioners' see fit.

RECOMMENDATION

Review and discuss as requested.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion and feedback – including direction on additional revisions – 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.

Respectfully,



Carolanne Ieromnimon
Analyst II

Attachment:

- 1) Update to Draft Policy on Out-of-Agency Services

¹ A video recording of the Special Districts Advisory Committee's September 15th meeting is available online, [Special Districts Advisory Committee \(SDAC\) Meeting - September 15, 2023 - YouTube](#). The presentation and subsequent discussion begins at the 26:41 marker.

Subject:

OUT-OF-AGENCY SERVICES
(Exclusive of Fire Protection Services)

Purpose:

Serve as a guide to the Commission in receiving, evaluating, and acting on requests by cities and special districts to provide new or extended services other than fire protection outside their jurisdictional boundaries.

Background:

State law requires cities and special districts to request and receive Commission approval before providing new or extended outside services by contracts or agreements with limited exemptions (Government Code Section 56133).¹

Policy:

It is the policy of the Commission:

1. Goals and Priorities:

- a) The Commission will consider out-of-agency service requests whenever otherwise merited new or extended services cannot be reasonably accommodated through annexations or other jurisdictional changes.
- b) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory within their spheres of influence in anticipation of future jurisdictional changes.
 - i. The Commission will exercise independent discretion in potentially prescribing the timing of future jurisdictional changes through its authority to condition out-of-agency service approvals.
- c) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory outside their spheres of influence in response to existing or impending public health and safety threats.
 - i. The Commission will exercise its independent discretion in determining when existing or impending public health and safety threats exist based on available documentation and analysis provided by LAFCO staff.

¹ Contracts involving fire protection services are separately addressed under Government Code Section 56134 and are not covered under this policy.

2. Definitions:

- a) "Agreement" and/or "contract" shall mean a formal written arrangement contemplated under Section 56133.
- b) "Service" shall mean any authorized municipal service functions and/or classes provided by cities and special districts other than fire protection as well as those exempted by the Commission within Section 4 of this policy.
- c) "New service" shall mean the actual provision of municipal service functions or classes to previously unserved non-jurisdictional lands.
 - i. New service shall also mean the re-commencement of actual services after a discontinuous period of six or more months.
- d) "Extended service" shall mean the intensification of municipal service functions and/or classes to served (actual) non-jurisdictional lands that require a zoning change by the land use authority.

3. Applicability:

- a) The Commission shall emphasize the "point of delivery" in assessing the applicability of Section 56133.
- b) Cities and special districts may request a no-cost determination from the Commission as to whether any proposed out-of-agency services are eligible for exemption under 56133 (e) and/or Section 4 of this policy.
 - i. The Commission delegates all inquiries for exemption eligibility under 56133(e) and/or Section 3 of this policy to the Executive Officer. The Executive Officer shall provide written notice of their determination to the city or special district to either accept, deny, or deny pending additional information all exemption inquiries within five business days.
 - ii. Should the Executive Officer determine an inquiry does not qualify for exemption, the city or special district may appeal directly to the full Commission. The appeal request must be made in writing and signed by the city manager or special district manager.

4. Exemptions

- a) In addition to those provided by the Legislature under Section 56133(e), the Commission establishes the following local exemptions in which approvals are not required:
 - i. Advisory or automatic aid services provided by a city and/or special district where no monetary compensation other than reimbursements are exchanged.
 - ii. Temporary access to cities and/or special districts' potable water supplies due to an interruption – planned or otherwise.
 - iii. Temporary access to cities and/or special districts' wastewater collection, treatment, or discharge facilities
 - iv. Shared services between cities and/or special districts where monetary compensation is exchanged beyond reimbursements for any of the following activities:
 - Abandon Vehicle Abatement
 - Accounting, Billing, and Payroll
 - Animal Care and Control
 - Building and Code Enforcement
 - Dispatch
 - Grant Writing
 - Information Technology
 - Legal
 - Pooled Equipment Purchasing
 - Pooled Materials Purchasing
 - Pooled Services Purchasing
 - Training

4. Request Procedures:

- a) All approval requests for out-of-agency services shall be made in writing by cities and special districts and filed with the Executive Officer. Requests shall be made in letter form by the city or special district manager and include all of the following information:
 - i. Identification of the affected territory by parcel number or another appropriate geographic marker.

- ii. Description of the ability of the agency to provide the contract service and relationship – including impacts – on existing and/or planned infrastructure and resources.
- iii. Application fee.
- iv. Any other information required by the Executive Officer.

5. Consideration Procedures:

- a) The Commission shall consider all requests for out-of-agency service approvals at a public meeting unless otherwise provided in this policy.
- b) The Executive Officer shall ensure all procedures under Section 56133 are completed and responsible for placing the request on the first available meeting agenda thereafter. The Executive Officer shall include his or her written recommendation on the request to the Commission.
- c) Should requests involve purported public health or safety threats, the Commission delegates approval authority to the Executive Officer under the following circumstances.
 - i. The request involves water and/or wastewater services only. If approved, the Executive Officer shall provide notice to the Commission at the next public meeting for information only.
- d) All other requests involving purported public health or safety threats shall be considered by the Commission at the earliest time possible – including the scheduling of a special meeting with no less than 24-hour notice.

7. Reconsideration:

- a) Should an out-of-agency service request be approved with conditions or denied, the applicant may request reconsideration.

8. CEQA

- a) All out-of-agency service request approvals shall be subject to concurrent review under the California Environmental Quality Act (CEQA).
- b) The Commission assigns all functions and related responsibilities provided under CEQA Guidelines Section 15025 to the Executive Officer – including, but limited to, making exemption findings and related fillings.



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

7b

AGENDA REPORT
 Business | Information

October 2, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Michaela Peters, Local Government Analyst I

**SUBJECT: Informational Report |
 Property Tax Allocations and Exchanges in San Diego County**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an informational report in the form of a brochure on property tax allocations and exchanges in San Diego County. The item has been prepared as an administrative holdover from the prior fiscal year workplan with a focus on the decision-making process with respect to whether property taxes will be reapportioned among local agencies in conjunction with LAFCO approving jurisdictional changes. The item is being presented for information with the opportunity for the Commission to provide feedback before staff finalizes the brochure for formal publication and distribution.

BACKGROUND

LAFCOs and Property Tax

The 1% property tax serves as a primary funding source for the majority of municipal services provided by the local agencies (cities and special districts) subject to San Diego LAFCO’s regulatory and planning powers. As detailed, whenever LAFCO approves jurisdictional changes, State law requires a determination – either directly by the Commission or through negotiated agreements by the agencies – on whether exchanges should be made in the

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov	Chair Jim Desmond County of San Diego Joel Anderson County of San Diego Nora Vargas, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann Alt. City of Chula Vista	Vice Chair Stephen Whitburn 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	Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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apportionments of the 1% property tax. The date of any reapportionments filed with the State Board of Equalization by December 1st will become effective on the following July 1st.

Adopted Workplan | Prior Direction to Prepare Informational Report on Property Taxes

San Diego LAFCO's activities are guided by an adopted workplan outlining specific projects in priority order and reset every fiscal year. Most projects remain on subsequent fiscal year workplans until they are completed unless the Commission determines to drop the item and reallocate resources to other priorities. Exceptions involve projects that are expected to be completed between the workplan's adoption in early May and June 30th or closely thereafter and require limited staff resources going into the new fiscal year. These exceptions are administrative holdovers with a current example from the prior fiscal year involving an informational report on property taxes and relationship to approved jurisdictional changes.

DISCUSSION

This item is for San Diego LAFCO to receive an informational report in the form of a brochure outlining the relationship and related processes between jurisdictional changes overseen by the Commission and the allocation of the 1% property tax among local agencies. This includes providing context on the current allocation of the 1% property tax in San Diego County and the approval process to make any changes – or exchanges – in the apportionment to align with LAFCO approved jurisdictional changes. The item has been prepared by staff and presented to the Commission as an administrative holdover from the prior fiscal year workplan. The item is for information with the opportunity for the Commission to provide feedback before staff finalizes the brochure for formal publication and distribution.

ANALYSIS

See attachment.

RECOMMENDATION

This item is presented to San Diego LAFCO for information.

ALTERNATIVES FOR ACTION

None.

PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO's agenda for action 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 if any.
- 3) Discuss and provided feedback to staff as needed.

Respectfully submitted,



Michaela Peters
Local Government Analyst I

Attachment:

- 1) Property Tax Basics

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Property Tax

ALLOCATIONS, EXCHANGES, + MORE

The Basics of the 1% Property Tax in San Diego County



Key Takeaways

- The 1% property tax serves as the primary funding source for most local government agencies (County, cities, special districts, & school districts) in San Diego County and has generated an average annual sum of \$5.9 billion over the last five years.
- Almost half of all property tax – \$0.47 cents out of every \$1.00 – collected in San Diego County goes to local school districts.
- Most of the remaining property tax collected in San Diego County – about \$0.38 cents out of every \$1.00 – goes to the County and the 18 cities.
 - 40% of the County of San Diego’s general fund revenue currently comes from property taxes.
 - 34% of the 18 cities combined general fund revenue comes from property taxes.
- Most jurisdictional changes processed by LAFCO include an exchange where property taxes are reapportioned among the subject agencies.
- LAFCO decides the exchange for incorporations and special district formations while the rest – annexations, detachments, etc. – are negotiated between local agencies.
 - There are several “master tax exchange” agreements dating back to the early 1980s to govern exchanges in property taxes between the County and cities, should an annexation (to the city) or detachment (to the County) be approved.
- The master agreements provide for the reapportionment of the County’s existing allocation of the 1% in property taxes anywhere between 34% (Lemon Grove) to 53% (Oceanside).
- At any time, the County, cities, and special districts can request individual negotiations.
 - A seven-step process in statute guides the negotiations for exchanges between the County and cities.



Covering The Basics

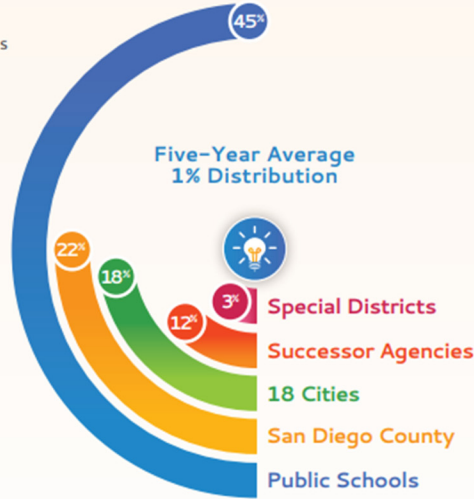
Property Taxes in California

With limited exceptions, all property (land and improvements) in California are taxed at 1% of their assessed value. The 1% rate was set by Proposition 13, which was approved by voters in June 1978 by nearly two-thirds of the electorate. It also reset all properties' market value to 1975 levels while limiting increases going forward to no more than 2% annually. All monies generated from the 1% property tax goes to local government – and specifically counties, cities, special districts, and school districts – and can be used for any general public purpose.

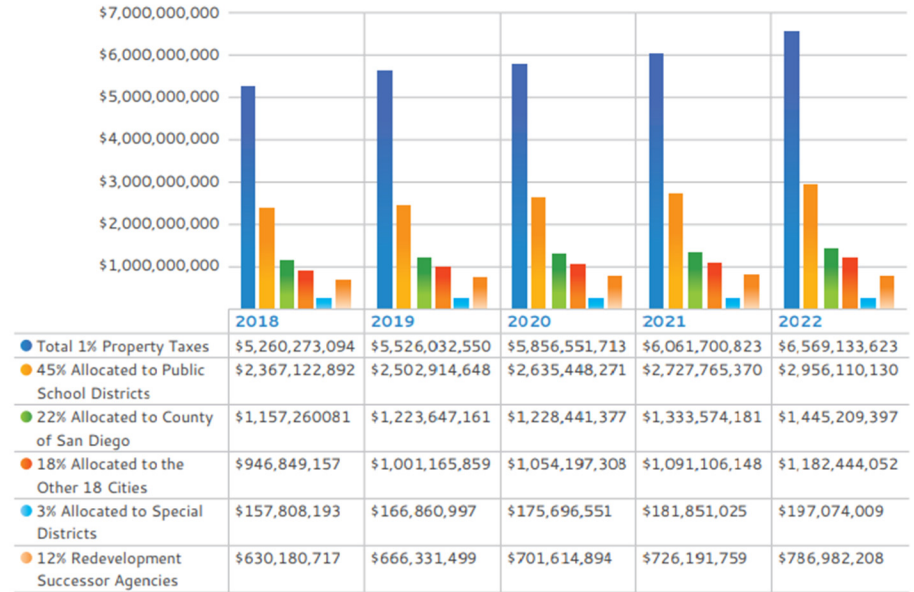
Property Taxes in San Diego County

The average annual amount of the 1% of property tax collected and allocated in San Diego County has been \$5.862 billion over a five-year period ending in 2022–2023.

Almost one-half – specifically 45% – of all property tax collected during this 60-month period has gone to 47 local public-school districts (elementary, high school, unified, and community college). Another 22% of the overall total has gone to the County of San Diego with a majority therein funding public safety and general administrative services. The remaining collection is divided between the 18 cities at 18%, redevelopment successor agencies at 12%, and special districts at 3%. Overall, the total amount of the 1% property tax revenue collected in San Diego County has increased by 20% over the five-year period and results in an average year adjustment of 4%.



San Diego County 1% Property Tax Allocations



Almost half of all property tax – \$0.47 cents out of every \$1.00 – collected in San Diego County goes to local school districts.

Significance of Property Tax Revenue

Revenue collected from the 1% property tax serves as primary funding source for most local government agencies' general purpose activities in San Diego County with the notable exception of enterprise special districts (i.e., water and wastewater providers). For example, the County of San Diego's use of the 1% property tax equals 39.5% of all operating revenue for the 2021-2022 fiscal year. Amounts and related percentages of the 1% property tax revenue collected by the 18 cities follows.

Cities' Collection of the 1% Property Tax and Overall Significance

Fiscal Year 2021-2022

City	Actual Revenue Received	% of Total Operating Revenue
Carlsbad	\$81,012,000	51.4%
Chula Vista	\$69,565,097	30.2%
Coronado	\$34,299,322	58.2%
Del Mar	\$7,771,396	34.6%
El Cajon	\$23,485,978	25.5%
Encinitas	\$55,505,022	60.2%
Escondido	\$31,209,631	25.7%
Imperial Beach	\$6,779,578	25.8%
La Mesa	\$16,687,577	23.2%
Lemon Grove	\$3,518,827	22.4%
National City	\$16,753,096	25.6%
Oceanside	\$74,505,579	40.0%
Poway	\$26,360,676	58.5%
San Diego	\$684,513,000	35.0%
San Marcos	\$26,695,907	18.0%
Solana Beach	\$10,523,133	41.7%
Santee	\$21,363,100	41.9%
Vista	\$28,981,824	22.9%
Average	\$67,751,708	34.3

The Mechanics

The Journey from Assessment to Distribution

A four-part process underlies the administration of the property tax in San Diego County with respect to its journey from assessment to distribution. A building permit automatically triggers notice to the Assessor and the opportunity to initiate a reassessment if warranted. Additionally, a property owner is entitled to request a property value reassessment if they felt their assessment to be inaccurate.

- The County Assessor's Office is responsible for determining the taxable value of property (land and structures) and preparing the annual assessment roll. This includes applying allowable exemptions.
- The County Auditor's Office draws from the assessment roll generated by the Assessor's Office to compute tax rates and applies them to the properties' taxable value to generate tax bills.
- The County Tax Collector mails the tax bills generated by the Auditor's Office, collects monies, and updates taxpayer accounts.
- The Auditor's Office completes the administrative process and allocates and distributes monies collected by the Tax Collector to local agencies.

40% of the County of San Diego's general fund revenue currently comes from property taxes.

Adjusting Property Values

The assessed value of a property – and by extension, the amount subject to the 1% property tax charge – is limited to an increase no greater than 2% each year under Proposition 13 unless a change in ownership or new construction occurs. The 2% increase is applied to the base year value. The maximum 2% increase per year continues to be applied until a change in ownership or new construction occurs. The latter category – new construction – also includes improvements considered substantive by the County Assessor's Office. This commonly includes addition to land or improvements (e.g., lot combination, square foot expansion) as well as physical alternations (i.e., remodeling, rehabilitation, or moderation) to a "like new" condition. Issuance of a building permit automatically triggers notice to the Assessor and the opportunity to initiate a reassessment if warranted. Additionally, a property owner is entitled to request a property value reassessment if they felt their assessment to be inaccurate. *For more information on assessment appeals, scan the QR code.

Use your phone's camera for a link!



Exchanges

Since jurisdictional boundaries are subject to changes, so too are the distribution of monies collected from the 1% property tax among local agencies. All jurisdictional changes under LAFCO oversight are subject to mandatory reviews and/or negotiations to determine what, if any, property tax exchanges shall apply. Approval of an exchange is made either by LAFCO or the subject local agencies depending on the type of jurisdictional change as provided below.

- LAFCO independently determines the property tax exchange for city incorporations and disincorporations as well as special district formations. All other jurisdictional changes require negotiated tax exchanges between the subject agencies.
- Board of supervisors are responsible for negotiating tax exchanges for jurisdictional changes involving – and with input – from one or more special districts.
- Board of supervisors and city councils are responsible for negotiating tax exchanges involving the annexation and/or detachment of lands between their jurisdictions.
- State law allows local agencies to mutually adopt "master tax exchange agreements" to govern all future jurisdictional changes between the signatories. However, the local agencies retain the ability to request individual negotiations on a case-by-case basis.

The exchange ultimately identifies the allocation of future 1% property taxes associated with the affected territory among the subject agencies going forward, should LAFCO approve the associated jurisdictional change. The exchange may also – and significantly – include other negotiated items among the subject agencies, such as the distribution of sales tax revenues, infrastructure purchases, or redistribution of regional housing assignments.

Master Tax Exchange Agreements in San Diego County

Most common jurisdictional changes – but not all – in San Diego County are covered under existing master tax exchange agreements dating back to the early 1980s. This involves annexation of unincorporated lands to certain cities as well as annexation of lands to enterprise special districts (e.g., water and wastewater agencies).

Annexation of Unincorporated Land to 15 Cities

The County of San Diego has adopted a master property tax exchange agreement that includes individually negotiated agreements with 15 of the 18 cities. These individual agreements were established during a two-year period between 1984 and 1985 and governs the percentage of 1% property tax revenues to be transferred to annexing cities. This master agreement specifies the base property tax revenues and annual tax increment generated from the affected territory shall be apportioned to the annexing city by an agreed-upon percentage as follows:

Carlsbad, 48%	National City, 46%
Chula Vista, 41%	Oceanside, 53%
Coronado, 53%	Poway, 43%
Del Mar, 41%	San Diego, 45%
El Cajon, 38%	San Marcos, 23%
Escondido, 36%	Santee, 43%
La Mesa, 38%	Vista, 41%
Lemon Grove, 34%	

The annexing city's percentage is applied to the combined County and detaching special districts' share of the base property tax revenue and annual tax increment. The remaining balance of the base property tax revenue and annual tax increment is then transferred to the County General Fund. There are no master tax exchange agreements between the County of San Diego and Cities of Encinitas, Imperial Beach, and Solana Beach. Any annexation to these cities would require negotiated agreements per jurisdictional change proposal.

Annexation to Enterprise Districts: New Services

The County of San Diego has adopted a master tax exchange agreement on behalf of all enterprise special districts specific to annexing lands – whether incorporated or unincorporated – involving the establishment of new services. The agreement specifies no exchange of the 1% in property taxes will be provided.

Annexation to Enterprise Districts: Existing Services

The County of San Diego has adopted a master tax exchange agreement on behalf of all enterprise special districts specific to annexing lands – whether incorporated or unincorporated – involving existing service functions. The agreement specifies a full – 100% – exchange of the 1% in property taxes will be provided.



Negotiating Tax Exchange Agreements

The process for negotiating tax exchange agreements for applicable jurisdictional changes (e.g., annexations, detachments, latent service power activations, etc.) involving the 1% of property tax is prescribed under State law and ultimately covers seven steps as follows.





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

7c

AGENDA REPORT
 Business | Action

October 2, 2023

TO: Commissioners

FROM: Holly O. Whatley, Commission Counsel

SUBJECT: **Consideration and Possible Approval of Sixth Amendment to Executive Officer’s Employment Contract, Including Salary Adjustment**

SUMMARY

The Commission annually evaluates the performance of its Executive Officer, Keene Simonds, usually at its October meeting. As part of the evaluation, the Commission may propose an amendment to the Executive Officer’s employment contract. The Executive Officer Compensation Committee recommends amending the Executive Officer’s employment contract to increase the Executive Officer’s annual salary. The proposed amendment is attached as Exhibit A.

DISCUSSION

Section 11 of the Employment Agreement Between the San Diego Local Agency Formation Commission and Keene Simonds, dated September 11, 2017 (“Agreement”) requires the Commission to evaluate the Executive Officer’s (“EO”) performance at least once annually. The Agreement is an attachment to Exhibit A, the proposed amendment.

Under Section 6.20 of the LAFCO Personnel Rules, the Commission may consider an adjustment of the Executive Director’s current salary dependent on the EO Compensation Committee’s performance evaluation and recommendation.

323130.1

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann Alt. City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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The EO's current salary is \$211,016, which includes the recent 2% cost-of-living adjustment provided all employees. The established salary range for the position is \$146,730 to \$260,257. For context, Attachment B is a chart of the current LAFCO salaries of Executive Officers for LAFCOs in the Southern California Region and reflects an average salary is \$224,313.77.

The EO Compensation Committee consists of Chair Desmond, Vice-Chair Whitburn and the most immediate past chair, Any Vanderlaan. The Committee met on August 7, 2023 as part of the Executive Officer's annual performance review process and recommends the Commission consider a salary increase to bring his salary up to the average salary for Executive Officers in the region commensurate with the EO's overall performance rating level of "outstanding."

FISCAL IMPLICATIONS

The changes to salary and benefits provided by this amendment are within existing budget appropriations.

ALTERNATIVES FOR ACTION

The Commission may refuse to approve the amendment, request changes to the amendment, or give other appropriate direction on this subject.

Respectfully,

Holly O. Whatley,
Commission Counsel

Attachments:

- 1) Proposed Sixth Amendment to Employment Agreement (including attached original agreement)
- 2) Chart of Comparative EO Salaries in Southern California Region

SIXTH AMENDMENT TO EMPLOYMENT AGREEMENT

RECITAL

On November 7, 2022 the San Diego Local Agency Formation Commission approved amending the Employment Agreement Between the San Diego Local Agency Formation Commission (hereafter “LAFCO”) and Keene Simonds (“Executive Officer”) dated September 11, 2017 (“Employment Agreement”), attached as Exhibit A. The Employment Agreement has been amended five times. This Sixth Amendment followed the Executive Officer’s annual performance review and is made as permitted by Paragraph 19 of the Employment Agreement. The Parties agree as follows:

AMENDMENT

1. Paragraph 4 (“Compensation”), subparagraph “A” is hereby amended in its entirety to read as follows:

A. Effective as of the first day of the first pay period following the Executive Officer’s hiring anniversary date September 11, 2023, the Executive Officer’s annual salary shall be \$_____ and as otherwise provided in section 6.20 of LAFCO’s Personnel Rules (“Rules”).

2. All other recitals, paragraphs, subparagraphs and clauses of the Employment Agreement and the Vacation Leave amendment in the Fourth Amendment to Employment Agreement remain unchanged by this Sixth Amendment to Employment Agreement.

EXECUTIVE OFFICER

Dated: _____

Keene Simonds

LAFCO

Dated: _____

Jim Desmond, Chair

Approved as to form:

Holly O. Whatley
General Counsel

Dated: _____

Attest:

Tameron Lockett
LAFCO Clerk

Dated: _____

EXHIBIT A

**EMPLOYMENT AGREEMENT
BETWEEN THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
AND KEENE SIMONDS**

RECITAL

On August 7, 2017 the San Diego Local Agency Formation Commission selected Keene Simonds (hereafter "Executive Officer") to serve as Executive Officer of the San Diego Local Agency Formation Commission ("LAFCO"), and Executive Officer accepted such employment. Executive Officer and LAFCO are referenced in this Agreement as Parties and, individually, as a Party. Accordingly, the Parties agree as follows:

AGREEMENT

1. Effective Date

This agreement shall become effective when it has been executed by Executive Officer and duly approved by the LAFCO Commission which the Parties anticipate will be on or before September 11, 2017.

2. Term of Employment

Pursuant to the Cortese-Knox-Hertzberg Act, California Government Code sections 56000 et seq. ("CKH"), and this Agreement, Executive Officer serves at the pleasure of the LAFCO Commission and on an "at will" basis and has no vested right to his employment during the term of this Agreement, subject to the terms and provision of this Agreement as set forth below. The term of this Agreement shall extend from its Effective Date until terminated by a Party pursuant to sections 14 - 16 of this Agreement below.

3. Duties; Hours of Work

A. Executive Officer shall perform those functions and duties specified by CKH and other applicable laws, adopted policies and procedures of LAFCO and by formal direction of the LAFCO Commission. Executive Officer shall perform such duties in accordance with the highest professional and ethical standards of the public management profession. Executive Officer shall not engage in any activity, which is, or which may become, incompatible with the office of Executive Officer, as provided for

by State law. During the term of this agreement, Executive Officer shall be exclusively employed by the LAFCO, unless prior authorization otherwise is received from the LAFCO Commission, which authorization will not be unreasonably withheld.

B. Executive Officer shall maintain a regular work schedule consistent with that approved for other Executive Service employees of the LAFCO. Executive Officer's duties may require more than eight hours per day and/or (40 hours per week, and may also include time outside normal office hours, such as attendance at LAFCO Commission meetings. Executive Officer shall not be entitled to additional compensation for such time. Commission acknowledges that Executive Officer intends to work a four-day, 10-hour work week until January 1, 2018 and consents to his doing so, provided that he is available on the last business day before Commission meetings and at other times as the work of LAFCO may require.

4. Compensation

A. The Executive Officer's annual salary shall be \$160,000 and as otherwise provided in section 6.20 of LAFCO's Personnel Rules ("Rules").

B. Executive Officer's compensation shall be reviewed at least annually in connection with the annual review required by section 11 below or at other times as may be determined by the LAFCO Commission.

C. To assist Executive Officer in relocating himself and his family from the Bay Area, Executive Officer shall receive, at his option, (i) an additional, \$1,000 in taxable compensation in each of the first six months of his employment, (ii) reimbursement of housing, travel and moving expenses up to \$6,000, or (iii) any combination of the two which does not exceed a cost to LAFCO of \$6,000 excluding employer's payroll taxes. This benefit is in addition to the moving expense allowance provided by section 6.20 of the Rules.

5. Flexible Benefits Program

LAFCO shall provide Executive Officer with the same flexible benefit program covering medical, dental and vision insurance benefits as provided to all other County of San Diego Executive Service employees and at the cost charged to those employees. At present, the monthly allowances are \$646 for an employee, \$937 for an employee with one dependent, and \$1,313.00 for an employee with two or more dependents.

6. Other Benefits

- A. LAFCO shall provide, without cost to the Executive Officer, term life insurance in the amount of his annual salary, \$2,000.00 for his spouse and dependent children up to age 26. LAFCO shall also provide accidental death and dismemberment insurance up to the amount of Executive Officer's annual salary. These coverages may be supplemented via the flexible benefit plan described above.
- B. Executive Officer may participate in the flexible spending plan on the same terms available to other County of San Diego Executive Service employees. At present the plan allows reimbursement on a pre-tax basis of eligible health care and dependent day care expenses.
- C. Executive Officer may participate in the health savings plan on the same terms available to other County of San Diego Executive Service employees.
- D. Executive Officer may participate in the limited-purpose, flexible-spending plan for otherwise unreimbursed dental and vision expenses on the same terms available to other County of San Diego Executive Service employees.
- E. Executive Officer will be afforded pension benefits under the terms established by the San Diego Employees Retirement Association on the same terms afforded other similarly qualified County of San Diego Executive Service employees.
- F. Executive Officer may participate in the County's 457 and 401A deferred compensation programs on the same terms available to other County of San Diego Executive Service employees.

7. Vacation Leave

A. Executive Officer shall be afforded vacation benefits per the Rules. At present, these afford 10 days per year for employees with one to five years' service, 15 days per year for employees with five to 10 years' service, and 20 days per year to employees with more than 10 year' service.

B. The Executive Officer may carry a balance of no more than twice his annual accrual of vacation leave.

8. Other Leaves, Holidays, and Benefits

The Executive Officer is entitled to 10 paid holidays as recognized by the LAFCO, plus two days of floating holiday time-off annually. LAFCO shall afford Executive Officer such other benefits as are provided to other Executive Service employees of the LAFCO on the same terms as provided to those employees except as otherwise expressly provided herein. These include as of the Effective Date:

- A. An initial bank of 10 days of reserve sick leave pending normal accrual during the first year of employment. Thereafter, accruals are credited on a biweekly basis (4 hours per 80-hour pay period). Employee will accrue 13 sick days per year in every subsequent year.
- B. Miscellaneous leaves including those for military service, bereavement, and jury duty.

9. Automobile Allowance

As the Executive Officer's normal duties require frequent use of his automobile, Executive Officer shall be entitled to \$600 per month as an automobile allowance. This allowance is in lieu of mileage reimbursement or other expenses that may be incurred by Executive Officer in connection with his use of his own automobile for LAFCO purposes. In consideration for said allowance, Executive Officer shall be responsible for all costs of maintenance and operation of his vehicle. Executive Officer shall at all times maintain automobile liability insurance on any vehicle him uses in the course of LAFCO employment. Such insurance shall have coverage limits acceptable in form and amounts to LAFCO. Executive Officer shall provide a certificate or other evidence of such insurance to LAFCO. Executive Officer acknowledges that this allowance will be subject to payroll taxes unless he maintains the records required by law to permit other treatment of this allowance. Executive Officer may not drive the County of San Diego vehicle provided to LAFCO staff more than three times per month under the policies and regulations adopted by the County of San Diego.

10. Professional Memberships & Meetings; Other Expenses

A. LAFCO shall maintain its membership in the California Association of LAFCOs to support Executive Officer's professional development. LAFCO shall pay for Executive Officer to attend the annual CALAFCO staff workshop and annual conference. LAFCO will pay for such other professional memberships and conference attendance as may be approved and budgeted by the LAFCO Commission.

B. LAFCO recognizes that the Executive Officer may incur certain expenses of a non-personal and job-related nature. LAFCO agrees to reimburse Executive Officer for reasonable expenses which are authorized by the LAFCO budget; submitted to the LAFCO Commission for approval; and which are supported by expense receipts, statements or personal affidavits, and audit thereof in like manner as other demands against the LAFCO.

11. Annual Performance Evaluation

The LAFCO Commission shall evaluate Executive Officer's performance at least once annually. The LAFCO Commission and Executive Officer shall annually develop mutually agreeable performance goals and criteria which the LAFCO Commission shall use in reviewing Executive Officer's performance in the following year. It shall be Executive Officer's responsibility to initiate this review each year. Executive Officer will be afforded an adequate opportunity to discuss each evaluation with the LAFCO Commission.

12. Indemnification

LAFCO shall defend, hold harmless and indemnify Executive Officer against any claim, demand, judgment, or action of any type or kind arising within the course and scope of Executive Officer's employment to the extent required by Government Code Sections 825 and 995.

13. Other Terms and Conditions of Employment

A. The LAFCO Commission may from time to time fix other terms and conditions of employment relating to the performance of Executive Officer, provided such terms and conditions are not inconsistent with or in conflict with the provision of this Agreement, CKH, or other applicable law.

B. The provisions of the Rules shall apply to Executive Officer to the extent they explicitly apply to the position of Executive Officer or as provided elsewhere in this Agreement, except that if the specific provisions of this Agreement conflict with the Rules, the terms of this Agreement shall prevail. Without limiting the generality of the exception noted in the previous sentence, however, no provision of the Rules or this Agreement shall confer upon Executive Officer a property right in his employment or a right to be discharged only upon cause. Executive Officer is an at-will employee serving at the pleasure of the LAFCO Commission and may be dismissed at any time with or without cause, subject only to the provisions of this Agreement.

14. Termination Without Cause

The LAFCO Commission may terminate Executive Officer's employment with the LAFCO at any time and without cause, upon 30 days' written notice to Executive Officer. In the event of such termination without cause, Executive Officer shall be entitled to a severance benefit, of six months of the Executive Officer's current base

salary plus payment of accumulated vacation upon termination from service. This base salary and leave pay-out shall be made on a bi-weekly basis at such time as other LAFCO employees are paid; provided, however, that the balance on any accrued leave which has not then been paid shall be payable in a lump sum upon termination of severance pay. Upon payment of such severance compensation, LAFCO shall have no further obligation to Executive Officer and Executive Officer shall have no claim for further compensation from LAFCO.

15. Termination With Cause

The LAFCO Commission may terminate Executive Officer's employment with LAFCO for cause upon 30 days' written notice to Executive Officer. In that event, LAFCO shall have no obligation to continue the employment of Executive Officer and shall have no obligation to provide any severance compensation, although Executive Officer shall be entitled to payment of the value of accrued leave. For purposes of this agreement, the term "for cause" means malfeasance or misfeasance in office or conviction of a crime involving moral turpitude, including but not limited to:

- (a) use of alcohol or drugs that impedes performance of duties;
- (b) conviction of a felony or misdemeanor involving moral turpitude (a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed a conviction for this purpose);
- (c) a proven claim of either sexual harassment or abuse of employees in violation of law or adopted LAFCO policy;
- (d) willful and repeated failure to carry out the lawful directives or policy decisions of the LAFCO Commission; or
- (e) willful abandonment of the position or continued and unexcused absence from duty.

16. Voluntary Termination; Death

A. Executive Officer may voluntarily terminate his employment, by resignation or retirement, at any time during the term of this Agreement, subject to at least 30 days' written notice by Executive Officer to LAFCO, unless the LAFCO Commission and Executive Officer agree otherwise. In such case, LAFCO shall have no further obligation to provide payments and benefits, including severance benefits, upon the effective date of termination of employment, other than payment of accrued leave.

B. In the event the Executive Officer dies while employed by the LAFCO, his beneficiaries or those entitled to his estate shall be paid any earned salary and accrued leave at the Executive Officer's pay rate on the date of death.

17. **Compliance With Law**

This Agreement is subject to all applicable provisions of CKH and other State and Federal law and LAFCO policies, rules and regulations applicable to the Executive Officer.

18. **General Provisions**

A. This Agreement constitutes the entire Agreement between the Parties. LAFCO and Executive Officer hereby acknowledge that they have neither made nor accepted any other promise or obligation with respect to the subject matter of this Agreement.

B. If any provision or any portion of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of the Agreement shall be deemed severable and shall not be affected and shall remain in full force and effect.

C. Any notice to LAFCO pursuant to this Agreement shall be given in writing, either by personal service or by registered or certified mail, postage prepaid, addressed as follows:

Chair and Members of the LAFCO Commission
San Diego LAFCO
9335 Hazard Way, Suite 200
San Diego, CA 92123

With a courtesy copy to the LAFCO General Counsel at the following address or the address then shown in the records of the LAFCO for the LAFCO General Counsel:

Michael G. Colantuono, Esq.
San Diego LAFCO General Counsel
420 Sierra College Drive, Ste. 140
Grass Valley, CA 95945-5091.

Any notice to Executive Officer shall be given in a like manner, and, if mailed, shall be addressed to Executive Officer at the address then shown in LAFCO's personnel records. For the purpose of determining compliance with any time limit stated in this Agreement, a notice shall be deemed to have duly given: (a) on the date of delivery, if served personally, or (b) on the second calendar day after mailing, if mailed.

D. Venue for any disputes arising from or relating to this Agreement shall lie in San Diego County, California. If an action at law or in equity is necessary to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable and actual attorneys' fees and costs with respect to the action.

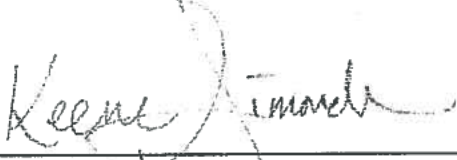
E. A waiver of any of the terms and conditions of this Agreement shall not be construed as a general waiver and either Party shall be free to enforce any term or condition of this Agreement with or without notice to the other, notwithstanding any prior waiver of that term or condition.

19. **Amendments**

This represents the entire agreement between the Parties as to its subject. Amendments to this Agreement may be made at such times as approved by the LAFCO Commission and Executive Officer and shall be in writing.

EXECUTIVE OFFICER

Dated: August 9, 2017



Keene Simonds

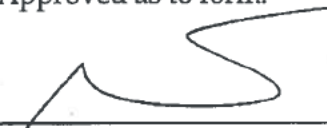
LAFCO

Dated: Aug. 15, 2017



Sam Abed, Chair

Approved as to form:



Michael G. Colantuono
LAFCO Attorney

Dated: 8/11/17

Attest:



[name] Tamaron R. Lockett
LAFCO Clerk

Dated: 8/15/2017

**Current Annual Salaries Among Other Executive Officers
Southern California Region**

LAFCO	Executive Officer	Current Salary
Los Angeles	Paul Novak	267,961.00
Ventura	Kai Luoma	217,039.00
Orange	Carolyn Emery	219,585.07
San Bernardino	Sam Martinez	192,670.00
Average		224,313.77

- 1) Ventura LAFCO will provide a 4.0% cost-of-living increase in November 2023 to their Executive Officer. This will increase the current pay to \$225,721.
- 2) Riverside and Imperial LAFCO’s Executive Officers are contracted retirees.

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