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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
SAN DIEGO COUNTY – HALL OF JUSTICE

JULIAN VOLUNTEER FIRE COMPANY )  
ASSOCIATION; BRIAN CROUCH, in his capacity )  
as President of the Julian Volunteer Fire Company; )  
MIKE HATCH, an individual; EVA HATCH, an )  
individual; and DAVE SOUTHCOTT, an )  
individual; )

Plaintiffs and Petitioners,

vs.

JULIAN-CUYAMACA FIRE PROTECTION )  
DISTRICT; JACK SHELVER, in his official )  
capacity as Board President of the Julian-Cuyamaca )  
Fire Protection District; and DOES 1 through 10, )  
inclusive; )

Defendants and Respondents.

CASE NO. 37-2018-00020015-CU-WM-CTL

**DEFENDANT AND RESPONDENT  
JULIAN-CUYAMACA FIRE  
PROTECTION DISTRICT'S  
OPPOSITION TO PROPOSED  
INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION  
COMMISSION AND COUNTY OF SAN  
DIEGO'S MOTION FOR LEAVE TO  
INTERVENE AS REAL PARTIES IN  
INTEREST; DECLARATIONS OF MIKE  
MENGHINI, BRIAN KRAMER, KAREN  
KIEFER, CRAIG SHERMAN, AND CORY  
J. BRIGGS**

Action Filed: April 23, 2018  
Department: C-70 (Trapp)

Hearing Date: April 26, 2019  
Hearing Time: 11:00 a.m.

Defendant and Respondent JULIAN-CUYAMACA FIRE PROTECTION DISTRICT  
("Respondent" or "District") respectfully submits this brief in opposition to the motion for permission  
to intervene by Proposed Interveners COUNTY OF SAN DIEGO ("County") and SAN DIEGO  
COUNTY LOCAL AGENCY FORMATION COMMISSION ("LAFCO") (collectively, "Proposed  
Interveners").

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1 I. INTRODUCTION

2 “Just because you are paranoid doesn’t mean they aren’t after you.”  
3 Joseph Heller, *Catch-22*

4 *Pace Heller*: LAFCO and the County believe that the men and women fighting to maintain the  
5 District’s existence are “crazies.” *See* Briggs Decl., ¶ 4; Ex. 6. Indeed, LAFCO and the County have  
6 been out to terminate the District’s existence for years. On the same day that it authorized the recording  
7 of the certificate of completion for the District’s dissolution – on the very same meeting agenda –  
8 LAFCO revealed that it had a back-up plan in case the final step in the dissolution process did not go  
9 as planned. Under the heading “Immediate Merit to Reorganize Julian-Cuyamaca FPD,” in a report  
10 “drawn from the information collected and analyzed between 2014 and 2018,” LAFCO recommended:  
11 “Markedly, should the reorganization proposal not proceed for any reason, LAFCO should consider  
12 initiating its own reorganization to dissolve Julian-Cuyamaca FPD and transfer services to the County  
13 Fire Authority as authorized [by] State law.” *See* Briggs Decl., ¶ 3; Ex. 5, pp. 175 & 176. In other  
14 words, LAFCO knew *long before* its meeting on April 8, 2019, not only that there could be an  
15 impediment to completing the dissolution illegally initiated a year earlier by the District’s prior  
16 governing board, but also that it would stop at nothing to bring the District to an end by might if not  
17 right.

18 On top of that, the District’s prior legal counsel had to be replaced because those lawyers were  
19 apparently concealing evidence of wrongdoing and would not allow this Court to be told the truth about  
20 how prior board members were serially and secretly meeting in order to get the dissolution started. As  
21 the evidence attached hereto makes clear, the governing board that began running the District in  
22 December 2018 – after the November 2018 elections – wanted nothing more than to have this Court  
23 reach the merits one way or the other. The “primary goal was neither winning nor losing the lawsuit  
24 but making sure that the court was told the truth so that it could decide the proper outcome.” Prior  
25 counsel’s unwillingness to be candid with the Court makes the declaration of LAFCO’s executive  
26 director – that he believed the District’s prior counsel was “responding to all issues” and “ensuring all  
27 proceedings were appropriate and lawfully performed” – simultaneously suspicious and overly  
28 revealing. *See* Simonds Decl., ¶ 3 (filed with moving papers). It turns out that the District’s prior

1 counsel also performs legal work for the County, which is the entity trying to absorb the District.  
2 *See Briggs Decl.*, ¶ 5; Ex. 7, p. 2. Could it be that prior counsel did not want to bite the hand that was  
3 feeding it, or perhaps was surreptitiously doing the County's and LAFCO's bidding?<sup>1</sup>

4 Lastly, this lawsuit is anything but a surprise to the County and LAFCO. They have known  
5 about it for nearly a year. They were apprised of it in written correspondence, in legal filings, and  
6 through personnel who attended the District's board meetings where this lawsuit was discussed. Indeed,  
7 nearly two months ago LAFCO's lawyers derailed a settlement of this lawsuit. And all of that happened  
8 without LAFCO or the County ever bothering to tell this Court that they were deeply interested in the  
9 outcome of this lawsuit – that is, until the outcome was something they didn't like.

10 Perhaps no two maxims of jurisprudence better explain why the Court should deny this motion  
11 to intervene. First: "The law helps the vigilant, before those who sleep on their rights." CIV. CODE §  
12 3527. Once the District realized that the County and LAFCO were blocking a settlement and that the  
13 District's prior counsel would not be candid with the Court, the District hired new counsel who  
14 cooperated with Petitioners' counsel to obtain a prompt ruling on the merits before LAFCO and the  
15 County took the final step in their dissolution process.<sup>2</sup> Meanwhile, the County and LAFCO have  
16 known about this lawsuit since its inception but did nothing – apart from blocking a settlement – to  
17 protect whatever interests they now claim to have.

18 Second: "Time does not confirm a void act." CIV. CODE § 3539. Thus, no matter how much  
19 time has passed, the simple fact that the District's prior governing board violated the Brown Act is  
20 sufficient to eliminate any interest that the County or LAFCO has in the outcome of this lawsuit because  
21 their interests in the dissolution process arose exclusively from – and after – that violation.

22 As explained in detail below, this motion should be denied. The Proposed Interveners do not  
23 have a legally cognizable interest in this lawsuit, and even if they did they waited too long to pursue it.

## 24 **II. BACKGROUND**

25 Having reviewed Petitioners' motion for judgment and the supporting evidence, the Court is  
26 already familiar with the Brown Act violations and the events surrounding them. The Court's judgment

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27 <sup>1</sup> There was no conflict disclosure or waiver in prior counsel's file for this lawsuit. *Briggs Decl.*, ¶ 7.  
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<sup>2</sup> The County and LAFCO accuse Petitioners' counsel and the undersigned of fraud and collusion. Since when did cooperation by opposing counsel in expeditiously resolving a lawsuit become fraudulent or collusive?

1 was correct. Indeed, one important bit of evidence that the District’s prior counsel did not disclose to  
2 Petitioners (and that current counsel learned about only yesterday) came from a percipient witness to  
3 the multiple secret serial meetings that three members of the District’s governing board were having  
4 with the District’s fire chief in the first half of 2018. She heard the fire chief talking to each of them  
5 “about their plans to file an application with the San Diego County Local Agency Formation  
6 Commission and the County of San Diego to dissolve [the District].” Kiefer Decl., ¶ 2. They “were  
7 in complete agreement that they would be submitting the dissolution application.” *Id.* The fire chief  
8 “was the one communicating messages on the subject matter to and from each of the three board  
9 members.” *Id.* None of these meetings was part of an official board meeting. *Id.*, ¶ 3. This is simply  
10 more evidence confirming what the Court has already found.

11 What the Court has not been told is just how dilatory the County and LAFCO were in allowing  
12 this lawsuit to go forward without letting the Court know of their interest in the outcome. For starters,  
13 LAFCO personnel attended the District board meeting in the first half of 2018 at which Petitioners’  
14 counsel informed the board members and other meeting attendees that his clients had filed this lawsuit.  
15 Kramer Decl., ¶ 3. Thereafter, in an August 2018 appellate brief filed in one of the related lawsuits,  
16 Petitioners’ counsel wrote that there were multiple lawsuits involving Resolution No. 18-03 – the one  
17 authorizing the District to start the dissolution process and the one that this Court has declared “null and  
18 void” – and explicitly referred to this lawsuit by case number. *See* Sherman Decl., ¶ 5; Ex. 1, pp. 14-15.  
19 Counsel for the County and LAFCO were listed on the brief’s proof of service. *Id.*, Ex. 1, p. 36.

20 On September 7, 2018, Petitioners’ counsel sent an e-mail to LAFCO’s executive director and  
21 two other staffers working on the dissolution. That letter informed LAFCO about the three lawsuits  
22 concerning the Resolution No. 2018-03 and again expressly identified this lawsuit by case number.  
23 *See* Sherman Decl., ¶ 6; Ex. 2, p. 2.

24 On February 22, 2019, LAFCO’s lawyer sent a letter to the District’s (former) legal counsel –  
25 and to Petitioners’ and the County’s respective counsel – in response to information about a potential  
26 settlement between Petitioners and the District. *See* Sherman Decl., ¶ 7; Ex. 3. LAFCO was explaining  
27 why the settlement should not be consummated and made an express reference to this lawsuit by case  
28 number. *Id.*, Ex. 3, p. 1. The letter ended by threatening legal action if the District went forward with

1 the settlement. *Id.* LAFCO indicated that it “will not hesitate” to sue if the settlement was approved.

2 *Id.* Why then did LAFCO and the County hesitate to file this motion to intervene?

3 Less than a week later, Petitioners’ counsel notified the Court of Appeal that the settlement had  
4 not been completed and would need another “two to ten weeks” to pursue it. *See* Sherman Decl., ¶ 8;  
5 Ex. 4, p. 1. The letter was served on counsel for LAFCO and the County. *Id.*, Ex. 4, p. 4. Again, they  
6 sat idle.

7 Not surprisingly, the County and LAFCO fully anticipated problems completing the dissolution.  
8 At LAFCO’s meeting on April 8, 2019, the completion of the dissolution was agenda item 11 and  
9 consideration of a draft municipal service review of the Julian region was agenda item 12. *See* Briggs  
10 Decl., ¶ 3; Ex. 5, pp. 3 & 4. Item 12 included a lengthy report covering several Julian-related agencies,  
11 including the District, and was prepared with the assistance of affected agencies and others, “including  
12 the County of San Diego.” *Id.*, Ex. 5, p. 157. The portion of the report’s summary dealing with the  
13 District offered this in-hindsight-not-so-shocking revelation based on “information collected and  
14 analyzed between 2014 and 2018”:

15 No. 4 Immediate Merit to Reorganize Julian-Cuyamaca FPD

16 LAFCO recently approved a proposed reorganization initiated by the  
17 subject agencies to dissolve Julian-Cuyamaca FPD and concurrently  
18 transfer service responsibilities to the County of San Diego’s Fire  
19 Authority through County Service Area No. 135. Approval was  
20 protested and currently on hold pending the final results of a special  
election. ***Markedly, should the reorganization proposal not proceed  
for any reason, LAFCO should consider initiating its own  
reorganization to dissolve Julian-Cuyamaca FPD and transfer services  
to the County Fire Authority as authorized [by] State law.***

21 *See id.*, Ex. 5, pp. 175 & 176 (emphasis added). If the County and LAFCO had no reason to be  
22 concerned about the completion of the dissolution, why would they “markedly” make a  
23 recommendation to proceed with dissolution by other means? Surely they knew that there was a legal  
24 problem that could upend the dissolution proceeding illegally started by the District’s prior board in  
25 violation of the Brown Act.<sup>3</sup>

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26  
27  
28 <sup>3</sup> The report’s project manager was Linda Zambito, who attended the District’s board meeting when  
Petitioners’ counsel disclosed that this lawsuit had been filed. Kramer Decl., ¶ 3; Ex. 5, p. 155. She  
was also a recipient of Petitioners’ counsel’s letter dated September 7, 2018. *See* Sherman Decl., ¶ 6;  
Ex. 2.

1 Despite the grossly (if not intentionally) laggard efforts by the County and LAFCO to get  
2 involved in this case, it appears that they had assistance on the inside that kept this lawsuit from  
3 reaching a conclusion sooner. After the elections last November, the District's governing board was  
4 populated with new blood. Menghini Decl., ¶ 1. At the time, and until very recently, the District's  
5 general counsel was McDougal Love Boehmer Foley Lyon & Canlas ("McDougal Love"), who also  
6 served as litigation counsel in this lawsuit and two related lawsuits. *Id.*, ¶¶ 2 & 3. Prior counsel had  
7 himself concluded that the Brown Act had been violated as alleged by Petitioners but refused to allow  
8 the Court to decide the matter. The District's president "explained that the new board's primary goal  
9 was neither winning nor losing the lawsuit but making sure that the court was told the truth so that it  
10 could decide the proper outcome." *Id.*, ¶ 4. Because prior counsel was unwilling to do that – not to  
11 mention LAFCO's thwarting the settlement – the District had to find a new lawyer. *Id.* After all, the  
12 County is one of McDougal Love's clients.<sup>4</sup> See Briggs Decl., ¶ 5; Ex. 7, p. 2.

13 After taking over for McDougal Love, the District's new counsel asked prior counsel for all files  
14 pertaining to this lawsuit and the related lawsuits. See Briggs Decl., ¶¶ 6 & 7; Ex. 8. McDougal Love  
15 didn't turn over much and only produced files for this lawsuit; nothing for the other two lawsuits was  
16 provided. Briggs Decl., ¶ 7. For this lawsuit, prior counsel provided a few deposition transcripts, a  
17 single discovery folder, a single pleadings folder, three cover letters (one to Petitioners' counsel and two  
18 to deposed witnesses), and a single bill to the District for \$150.00 to cover a courier's expense. *Id.* No  
19 e-mail correspondence was turned over, despite multiple requests explicitly asking for it and despite  
20 the fact that at least one of the District's board members has seen such correspondence to and from  
21 McDougal Love attorneys pertaining to this lawsuit and the other two lawsuits.<sup>5</sup> *Id.*; see also Kramer  
22 Decl., ¶ 4. In 2018 and 2019, how can there be zero e-mail communications in a litigator's files? Is  
23 there something between prior counsel and the County and/or LAFCO that prior counsel does not want  
24 the District to see?

25 In any event, once the District had new counsel, the parties came to the Court on March 26,  
26 2019, for an *ex parte* hearing on Petitioners' motion for entry of judgment or for an order shortening

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27 <sup>4</sup> The file for this lawsuit that the undersigned obtained from prior counsel contained no retainer  
28 agreement or conflict-of-interest disclosure.

<sup>5</sup> There certainly was no joint-defense agreement between the District and LAFCO and/or the County  
or anything whatsoever dealing with such subject matter. Briggs Decl., ¶ 7.

1 time on such a motion.<sup>6</sup> The District’s counsel apprised the Court of the client’s concerns, including  
2 the potential for criminal liability by past board members and the appearance of impropriety if this  
3 lawsuit were used to foment a criminal prosecution, and noted that prior counsel had filed opposition.  
4 Sherman Decl., ¶ 3; Briggs Decl., ¶ 8. Petitioners’ counsel asked the Court to decide this matter based  
5 on the *ex parte* papers because the ruling could affect the dissolution proceeding to be held by LAFCO  
6 on April 8, 2019. Sherman Decl., ¶ 3; Briggs Decl., ¶ 8. The Court indicated that the serious nature  
7 of the allegations required that it examine the motion “independently to be sure the motion is supported  
8 by the law and facts.” Sherman Decl., ¶ 3; Briggs Decl., ¶ 8. Mindful of the time-sensitive nature of  
9 the lawsuit, however, the Court kindly accommodated the parties and set a hearing for April 5, 2019.  
10 Sherman Decl., ¶ 3; Briggs Decl., ¶ 8. At the hearing, the Court confirmed its tentative ruling in favor  
11 of Petitioners, entered judgment, and issued a peremptory writ of mandate. Briggs Decl., ¶ 9.

### 12 **III. ARGUMENT AND ANALYSIS**

13 There are multiple reasons to deny this motion. First, there was no fraud or collusion. Second,  
14 the County and LAFCO waited too long to seek to intervene. Third, and as a matter of law, LAFCO  
15 and the County have no legal authority to intervene. Lastly, they improperly aim to enlarge the scope  
16 of issues to be litigated and would impermissibly interfere with the District’s handling of this lawsuit.

17 Each of these points is discussed below.

#### 18 **1. There Was No Fraud or Collusion**

19 LAFCO and the County contend that the judgment entered in this lawsuit was obtained through  
20 fraud and collusion. Not only is the contention patently false, but it is insulting to this Court.

21 “The presumption is always against fraud.” *Corcoran v. City of Los Angeles*, 153 Cal. App. 2d  
22 852, 856 (1957). “There must be substance in a charge of fraud, and not just vague and equivocal  
23 generalities and conclusions based on conjecture and suspicion.” *Id.*

24 The District’s primary goal of having the Court be told the truth so it could decide this matter  
25 – which, as the District’s new president explained to prior counsel, differs greatly from wanting to win  
26 or lose – is hardly fraudulent or collusive. *See* Menghini Decl., ¶ 4. Likewise, replacing prior legal  
27 counsel who was unwilling to present the truth to the Court is neither fraudulent nor collusive. *Id.* The  
28 District’s new legal counsel was cooperative because that’s generally how he operates and, even more

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<sup>6</sup> The undersigned’s firm was retained on March 15, 2019. Briggs Decl., ¶ 2.

1 importantly for his client, because LAFCO's final decision to complete the dissolution was imminent  
2 and prior counsel was reportedly not diligent. Briggs Decl., ¶ 10. The parties' counsel were fully  
3 transparent with the Court about the need for a ruling on the merits. Sherman Decl., ¶ 3; Briggs Decl.,  
4 ¶ 8.

5 The Court rightly refused to grant Petitioners' request to enter judgment on an *ex parte* basis and  
6 instead looked at the matter on its own to make sure that a *prima facie* case could be established. The  
7 Court's final ruling was lengthy and exhaustive; the Court did anything but act as a rubber stamp. To  
8 suggest that the Court was duped is insulting to everyone involved – especially to the Court.

9 In short, the parties had to work cooperatively and expeditiously to ensure that justice was done.  
10 LAFCO and the County had self-servingly thwarted settlement efforts, which left the parties with no  
11 choice but to proceed to the merits as quickly as possible.

## 12 **2. The Motion to Intervene Is Untimely**

13 This motion is too little, too late, and for that reason should be denied. "It is settled that any  
14 unreasonable delay in filing a petition for leave to intervene is sufficient ground for denial of the  
15 petition." *In re Yokohama Specie Bank*, 86 Cal. App. 2d 545, 554-555 (1948). Indeed, "the general rule  
16 is that intervention is not permitted after judgment." *Morton Regent Enterprises, Inc. v. Leadtec*  
17 *California, Inc.*, 74 Cal. App. 3d 842, 846 (1977).

18 In the few cases in which courts have permitted post-judgment intervention, they were limited  
19 to exceptional situations allowing class members and insurers to intervene. *See Mallick v. Superior Ct.*,  
20 89 Cal. App. 3d 434, 436-437 (1979) (summarily concluding individual class representative may  
21 intervene post-judgment in a case where he falls within the class); and *Hernandez v. Restoration*  
22 *Hardware, Inc.*, 4 Cal. 5th 260, 267 (2018) (unnamed class members may intervene post-judgment);  
23 *see also Jade K. v. Viguri*, 210 Cal. App. 3d 1459 (1989) (insurer was permitted to intervene post-  
24 judgment); and *Hinton v. Beck*, 176 Cal. App. 4th 1378 (2009) (same). The District is not aware of any  
25 appellate decision authorizing post-judgment intervention in a lawsuit like this one, and certainly  
26 LAFCO and the County have not cited any.

27 The evidence is clear that the moving parties knew about this lawsuit and its potential to derail  
28 the dissolution long ago. LAFCO's executive director stated under penalty of perjury that "early in the  
process" he believed the District's prior counsel was "responding to all issues" and "ensuring all

proceedings were appropriate and lawfully performed” – simultaneously suspicious and overly revealing. *See* Simonds Decl., ¶ 3. LAFCO employees attended the District’s board meeting in the first half of 2018 when Petitioners’ counsel disclosed that this lawsuit had been filed. Kramer Decl., ¶ 3. Counsel for LAFCO and the County were served with an appellate brief that cited this lawsuit by case number. Sherman Decl., ¶ 5; Ex. 1, pp. 14-15. Three LAFCO staffers, including the executive director, received a letter pointing out the Brown Act violations and referring to this lawsuit by case number. Sherman Decl., ¶ 6; Ex. 2, p. 1. Meanwhile, two months ago LAFCO was threatening to sue if the District settled this lawsuit; the letter was copied to the County’s legal counsel.<sup>7</sup> Sherman Decl., ¶ 7; Ex. 3, p. 3. LAFCO and the County knew that their interference had derailed the settlement for “two to ten weeks.” Sherman Decl., ¶ 8; Ex. 4, p. 1. They were even anticipating problems with completion of the dissolution on April 8, 2019, when their report on services in the Julian region and their “markedly” comment tipped their hand. Briggs Decl., ¶ 3; Ex. 5, p. 176 (“markedly” recommendation to proceed against District if dissolution failed).

LAFCO and the County claim that they believed their interests in this lawsuit were adequately represented by the District and its prior legal counsel. *See* Op’g Br., p. 4, lns. 9-10. However, they offer no factual basis for their belief. At the same time, prior legal counsel’s file for this lawsuit contains no joint-defense agreement or any other correspondence with anyone at LAFCO or the County. Briggs Decl., ¶ 7. If LAFCO and the County truly had that belief, it must have been based on something nefarious, unwritten, and unknown to the District.

“The law helps the vigilant, before those who sleep on their rights.” CIV. CODE § 3527. At best, LAFCO and the County have been asleep at the wheel; at worst, they consciously sat on their laurels. Either way, this motion is untimely.

### **3. LAFCO Has No Direct Interest to Warrant Mandatory Intervention**

“To support permissive intervention, it is well settled that the proposed intervenor’s interest in the litigation must be direct *rather than consequential*, and it must be an interest that is capable of determination in the action. The requirement of a direct and immediate interest means that the interest must be of such a direct and immediate nature that the moving party will either gain or lose by the direct

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<sup>7</sup> This letter was *not* in the correspondence folder provided to the undersigned by the District’s prior counsel. Briggs Decl., ¶ 7.



1 legal operation and effect of the judgment.” *Royal Indem. Co. v. United Enterprises, Inc.*, 162 Cal.  
2 App. 4th 194, 203-204 (2008) (emphasis added; internal quotation marks and citations omitted).

3 LAFCO has no independent right to litigate the validity of the District’s resolution to submit a  
4 dissolution application. *See Timberidge Enterprises, Inc. v. City of Santa Rosa*, 86 Cal. App. 3d 873,  
5 883-884 (1978) (“*Timberidge*”). The Court of Appeal in *Timberidge* denied LAFCO’s petition to  
6 intervene, finding its reasons for wanting to intervene – to judicially establish the constitutional and  
7 statutory validity of a city’s resolution – was outside the powers granted to LAFCO by the Legislature.  
8 *Id.* at 883-886. Although the statute has since been renumbered, the powers and duties of a local agency  
9 formation commission remain the same.<sup>8</sup> *See, e.g.*, GOVT. CODE § 56375.<sup>9</sup>

10 Therefore, as a matter of law, LAFCO may not intervene.

#### 11 **4. The County Has No Direct Interest to Warrant Mandatory Intervention**

12 The County is likewise without any interest in this lawsuit. It appears from the Proposed  
13 Answer that the County believes it has some sort of reliance interest to protect. However, as a matter  
14 of law, a void act “has no legal existence for any purpose and ***neither action nor inaction of a party***  
15 ***can validate it.***” *Reno v. American Ice Machine Co.*, 72 Cal. App. 409, 413 (1925) (emphasis added).  
16 It has been settled for nearly a century, if not longer, that a “void act cannot be the subject of ratification  
17 or estoppel.” *Haight v. Marin Municipal Water Dist.*, 208 Cal. 753, 765 (1930).

18 Because a void act has no legal significance whatsoever, there is no lawful basis for the County  
19 – or LAFCO, for that matter – to claim a direct interest in the District’s illegal approval of the  
20 dissolution application. They had no legal right to rely on it for any purpose.

#### 21 **5. Intervention Would Impermissibly Enlarge the Issues and Tread on the District’s** 22 **Rights**

23 Any attempt by LAFCO and the County to re-litigate this case will necessarily and  
24 impermissibly enlarge the issues and tread on the District’s rights to seek justice as it deems appropriate.

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25  
26 <sup>8</sup> The only way for LAFCO to begin a dissolution process is upon the receipt of a “proposal.” GOV’T  
27 CODE § 56375. “‘Proposal’ means a desired change . . . initiated by a petition or by resolution of  
28 application of a legislative body or school district for which a certificate of filing has been issued.” *Id.*,  
§ 56069. LAFCO doesn’t get to dissolve agencies *sua sponte*; the process begins upon LAFCO’s  
receipt of a petition or resolution of application. *Id.*, §§ 56650, 56651, 56658. The petition must be  
signed by registered voters or landowners, not by LAFCO staffers. *Id.*, § 56704(b)-(c).

<sup>9</sup> The statute was previously numbered as Government Code Section 54790. The same is true for the  
other pertinent statutes cited in *Timberidge*.

1 After all, “[t]ime does not confirm a void act.” CIV. CODE § 3539. Nothing that happened after the  
2 District’s prior governing board violated the Brown Act can change the fact that the board’s illegal  
3 actions are null and void, and any attempt to avoid that conclusion will necessarily enlarge the issues.  
4 Furthermore, there is even more evidence today to prove the violations than there was previously: a  
5 percipient witness heard the secret serial meetings between the District’s former fire chief and three  
6 members of the prior board. *See* Kiefer Decl., ¶¶ 2 & 3.

7 “For permissive intervention three factors are paramount: the intervenor must have a direct  
8 interest in the lawsuit, *the intervenor must not enlarge the issues raised by the original parties and*  
9 *the intervenor must not tread on the rights of the original parties to conduct their own lawsuit.*”  
10 *Kuperstein v. Superior Ct.*, 204 Cal. App. 3d 598, 600 (1988) (emphasis added). That is precisely what  
11 would happen if LAFCO and the County were allowed to intervene.

12 The District does not dispute the allegations. Yet LAFCO and the County make clear in their  
13 opening brief that they want to “oppose the Petition filed in this action.” *See* Op’g Br., p. 7, lns. 3-4.  
14 They also desire to litigate the **District’s** affirmative defenses: the statute of limitations and exhaustion  
15 of remedies. *See* Proposed Answer, p. 2, ¶ 1. However, they cite absolutely no legal authority for the  
16 proposition that they are entitled to assert the District’s defenses.

17 Expansion of the issues is also clear from the Proposed Answer’s acknowledgment that LAFCO  
18 and the County want to protect their “interests in the dissolution proceedings that *followed from* [the  
19 District’s] actions challenged here.” *See* Proposed Answer, p. 2, ¶ 2 (emphasis added). Importantly,  
20 the illegal conduct of the District’s prior board occurred **before** the County or LAFCO took any action  
21 toward dissolving the District. Allowing them to litigate events that took place prior to their  
22 involvement in the dissolution process would expand this lawsuit astronomically. In any event, they  
23 will have the opportunity to defend their interests via the reverse-validation lawsuit that was just filed  
24 on April 8, 2019.

25 Perhaps the best example of an enlargement of issues is the repeated assertion in the Proposed  
26 Answer that LAFCO and the County are “real parties.” That very issue will have to be litigated even  
27 though both of them presumably had zero involvement in the (illegal) decision of the District’s prior  
28 board to apply for dissolution. It wasn’t until that illegal application was presented to LAFCO and the  
County that they would have had any involvement. Significantly – though not surprisingly – the

opening brief fails to cite a single appellate decision in which a proposed intervenor was deemed to be a real party in interest in a decision that *preceded* that intervenor's involvement in the subject matter, or based on reliance on a void act.

Intervention by LAFCO and the County would also *increase* the District's exposure to attorney fees and costs. The Brown Act entitles Petitioners to recover their fees and costs. If Petitioners must litigate this case further, the District could be held liable for those fees and costs for reasons having nothing to do with its handling of this lawsuit. That is patently unfair to the District and its taxpayers.

Even worse, the County has taken the position that the District no longer exists and purported to fire the District's new counsel. *See* Briggs Decl., ¶ 11. If it cannot choose legal counsel it trusts – or cannot have legal counsel at all – how can the District have any involvement in a lawsuit that involves wrongdoing committed by its own board members? The County's lawyers have taken the position that they are the only ones who can represent JCFPD's interests post-dissolution, even though the dissolution is disputed. *Id.* But that would be a glaring conflict of interest. The District would be effectively adrift at sea with no rudder and no pilot – or worse, controlled by a crew chosen by LAFCO and the County that wants to see the District crash upon the rocks.

Accordingly, the motion to intervene should be denied because it would enlarge the issues and interfere with the District's ability to be represented in the lawsuit.

#### IV. CONCLUSION

For all the foregoing reasons, this motion should be denied.

Date: April 18, 2019.

Respectfully submitted,

BRIGGS LAW CORPORATION

By: Cory J. Briggs  
Cory J. Briggs

Attorneys for Defendant and Respondent Julian-Cuyamaca Fire Protection District

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Declaration of Karen Kiefer

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I, Karen Kiefer, am over the age of 18 years and, if called as a witness in this lawsuit, will testify as follows:


1. I began working for the Julian-Cuyamaca Fire Protection District ("JCFPD") in 2003 as an EMT paramedic and fire fighter. I was officially JCFPD's EMS Director from approximately February 2003 to February 2018, working out of the Julian fire station. At that point I resumed my primary duties as an EMT paramedic and fire fighter, but I also continued to perform some of the duties of EMS Director (at the Julian fire station) until September 2018 to assist my successor transition into the position. I stopped working for JCFPD in September 2018.

2. From January 2018 to May 2018 (and even before), I was at the Julian fire station when board members Jack Shelver, Aida Tucker, or Kirsten Starlin would come to the station to meet with Fire Chief Ricardo Marinelli. My office was next to Fire Chief Marinelli's office and, because the walls are thin, I could overhear him talking to the three board members individually in their meetings about their plans to file an application with the San Diego County Local Agency Formation Commission and the County of San Diego to dissolve JCFPD. I could hear that all three board members and Fire Chief Marinelli were in complete agreement that they would be submitting the application and that the Fire Chief was the one communicating messages on the subject to and from each of the three board members.

3. The meetings I overheard occurred on multiple occasions but not in connection with any JCFPD board meeting. None of the meetings I overheard was ever listed on any JCFPD board

I declare under penalty of perjury under the laws of the State of California that the foregoing is  
d correct.


Date: April 17, 2019.

  
Karen Kiefer

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Declaration of Brian Kramer

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Brian Kramer

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Declaration of Mike Menghini



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1 so that it could decide the proper outcome. Mr. Foley was unwilling to present the truth to the court on  
2 behalf of the new board. At that point he told me his firm could no longer represent JCFPD because  
3 doing so would create a conflict for his law firm between JCFPD and the three members of the old  
4 board and he did not want to present the court with any evidence that would reflect negatively on those  
5 three members even if it was true.

6 I declare under penalty of perjury under the laws of the State of California that the foregoing is  
7 true and correct.

8 Date: April 16, 2019.

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Mike Menghini

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Declaration of Craig Sherman

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I, Craig Sherman, am over the age of 18 years and, if called as a witness in this lawsuit, will

1. I am an attorney licensed to practice law before all courts of the State of California. I

2. On March 26, 2019, I attended an *ex parte* hearing in San Diego County Superior Court

3. During the hearing, Mr. Briggs made comments about his client's inability to oppose the

4. The Court stated that the seriousness of the allegations required that it look at the

5. Attached hereto as Exhibit 1 is a true and correct copy of an appellate brief that I filed


6. Attached hereto as Exhibit 2 is a true and correct copy of a letter that I e-mailed to three LAFCO employees on September 7, 2018. I received confirmation that my e-mail had been received by them shortly after I sent it.

7. Attached hereto as Exhibit 3 is a true and correct copy of a letter that I received from Holly Whatley, the attorney for LAFCO, on February 22, 2019.

8. Attached hereto as Exhibit 4 is a true and correct copy of a status report that I filed in Court of Appeal docket no. D074324. The information contained on the filing's proof of service is accurate.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: April 16, 2019.

  
Craig Sherman

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Declaration of Cory J. Briggs

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I, Cory J. Briggs, am over the age of 18 years and, if called as a witness in this lawsuit, will

1. I am the sole shareholder of Briggs Law Corporation (“BLC”). I am an attorney licensed

2. BLC was retained by JCFPD to represent it in this lawsuit on March 15, 2019.

3. Attached hereto as Exhibit 5 is a true and correct copy of the agenda and backup

4. Attached hereto as Exhibit 6 is a true and correct copy of a text message that I received

5. Attached hereto as Exhibit 7 is a true and correct copy of the client list for McDougal

6. Attached hereto as Exhibit 8 is a true and correct copy of my e-mail correspondence with

7. Even though I asked for its files for all three of the lawsuits in which it was involved,

McDougal Love provided its files only for this lawsuit. Furthermore, the files were very limited.

McDougal Love provided a few deposition transcripts, a single discovery folder, a single pleadings

folder, three cover letters (one to Petitioners' counsel and two to deposed witnesses), and a single bill

to JCFPD for \$150.00 to cover a courier's expense; there was no letter from LAFCO, the County, or

their attorneys. McDougal Love provided no e-mail correspondence even though I specifically asked

for it more than once in my e-mail communications on April 16, 2019. Also missing from the files is

an retainer agreement or conflict-of-interest disclosure or waiver. Likewise, there was no joint-defense

agreement with LAFCO or the County or any other agreement dealing with such subject matter.

1           8.       I appeared in Department C-70 on March 26, 2019, in response to Petitioners' *ex parte*  
2 application for entry of judgment or for an order shortening time on a motion for judgment. I recall  
3 informing the Court that JCFPD has concerns about unintended consequences of this lawsuit, including  
4 the potential for criminal liability by past board members and the appearance of impropriety if this  
5 lawsuit were used to foment a criminal prosecution, and made reference to filings by prior counsel. I  
6 recall Craig Sherman, counsel for Petitioners, asking the Court to decide this matter based on the *ex*  
7 *parte* papers because the ruling could affect dissolution proceeding to be held by LAFCO on April 8,  
8 2019. However, the Court expressed reservations about making such a ruling on an *ex parte* basis and  
9 indicated that the serious nature of the allegations required an independent review of the motion and  
10 other filings. The Court was also sensitive to the parties' need to have a resolution before the LAFCO  
11 meeting on April 8 and was kind enough to set a hearing for April 5, 2019. I distinctly recall the Court  
12 promising a tentative ruling the day before if not earlier, depending on the Court's workload.

13           9.       The Court issued a tentative ruling in favor of Petitioners on April 4, 2019. At the  
14 hearing the following day, the Court confirmed its tentative ruling, entered judgment, and issued a  
15 peremptory writ of mandate.

16           10.      The accusations against Mr. Sherman and our clients for fraud and collusion are without  
17 merit, absurd, and offensive. I cooperated with Mr. Sherman because my client wanted the truth to be  
18 told to the Court expeditiously in case it could affect the LAFCO proceeding, because my client was  
19 concerned that its prior counsel was not being diligent, and just as importantly because my default  
20 operating procedure is to be cooperative with my opposing counsel.

21           11.      On April 9, 2019, Mr. Heinlein informed me that his client believed that JCFPD had  
22 been dissolved, that the County had succeeded JCFPD in litigation matters, and that BLC was being  
23 terminated as legal counsel for JCFPD. In subsequent conversations with me, Mr. Heinlein has  
24 continued to take the position that only the County may choose legal counsel for matters affecting  
25 JCFPD and the validity of LAFCO's dissolution proceeding.

26           I declare under penalty of perjury under the laws of the State of California that the foregoing is  
27 true and correct.

28           Date: April 18, 2019.

  
\_\_\_\_\_  
Cory J. Briggs



**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 1

**COURT OF APPEAL, STATE OF CALIFORNIA**  
**FOURTH APPELLATE DISTRICT, DIVISION ONE**

DAVE SOUTHCOTT;	)	Appeal No. D074324
BRIAN CROUCH; MIKE HATCH;	)	
EVA HATCH; JULIAN VOLUNTEER	)	San Diego Super. Ct., Case No.
FIRE COMPANY ASSOCIATION	)	37-2018-23393-CU-WM-CTL
	)	
Appellants and Petitioners,	)	
	)	
JULIAN-CUYAMACA FIRE	)	
PROTECTION DISTRICT; JACK	)	
SHELVER; MARCIA SPAHR	)	
	)	
Respondents,	)	
	)	
COUNTY OF SAN DIEGO; COUNTY	)	
OF SAN DIEGO LOCAL AGENCY	)	
FORMATION COMMISSION	)	
	)	
Real Parties in Interest	)	
_____	)	

---

Appeal from the Judgment of the San Diego Superior Court  
Honorable Kenneth J. Medel, Presiding

---

**APPELLANTS' OPENING BRIEF**

---

Craig A. Sherman, Esq.  
State Bar No. 171224  
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Attorney for Appellants and Petitioners

<b>COURT OF APPEAL</b> <b>FOURTH APPELLATE DISTRICT, DIVISION ONE</b>	<b>COURT OF APPEAL CASE NUMBER:</b> D074324
<b>ATTORNEY OR PARTY WITHOUT ATTORNEY:</b> <b>STATE BAR NO.:</b> 171,224 <b>NAME:</b> Craig A. Sherman <b>FIRM NAME:</b> CRAIG A. SHERMAN, APC <b>STREET ADDRESS:</b> 1901 First Avenue, Suite 219 <b>CITY:</b> San Diego <b>STATE:</b> CA <b>ZIP CODE:</b> 92101 <b>TELEPHONE NO.:</b> 619-702-7892 <b>FAX NO.:</b> 619-702-9291 <b>E-MAIL ADDRESS:</b> CraigShermanAPc@gmail.com <b>ATTORNEY FOR (name):</b> Appellants, DAVE SOUTHCOTT, et al.	<b>SUPERIOR COURT CASE NUMBER:</b> 37-2018-23393-CU-WM-CTL
<b>APPELLANT/</b> DAVE SOUTHCOTT, et al. <b>PETITIONER:</b> <b>RESPONDENT/</b> Julian-Cuyamaca Fire Protection District, et al. <b>REAL PARTY IN INTEREST:</b>	
<b>CERTIFICATE OF INTERESTED ENTITIES OR PERSONS</b> <i>(Check one):</i> <input checked="" type="checkbox"/> INITIAL CERTIFICATE <input type="checkbox"/> SUPPLEMENTAL CERTIFICATE	
<b>Notice: Please read rules 8.208 and 8.488 before completing this form. You may use this form for the initial certificate in an appeal when you file your brief or a prebriefing motion, application, or opposition to such a motion or application in the Court of Appeal, and when you file a petition for an extraordinary writ. You may also use this form as a supplemental certificate when you learn of changed or additional information that must be disclosed.</b>	

1. This form is being submitted on behalf of the following party (*name*): Appellants DAVE SOUTHCOTT, et al.
2. a. ☒ There are no interested entities or persons that must be listed in this certificate under rule 8.208.
- b. ☐ Interested entities or persons required to be listed under rule 8.208 are as follows:

Full name of interested entity or person	Nature of interest ( <i>Explain</i> ):
(1)	
(2)	
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☐ Continued on attachment 2.

The undersigned certifies that the above-listed persons or entities (corporations, partnerships, firms, or any other association, but not including government entities or their agencies) have either (1) an ownership interest of 10 percent or more in the party if it is an entity; or (2) a financial or other interest in the outcome of the proceeding that the justices should consider in determining whether to disqualify themselves, as defined in rule 8.208(e)(2).

Date: July 17, 2018

CRAIG A. SHERMAN  
(TYPE OR PRINT NAME)

  
(SIGNATURE OF APPELLANT OR ATTORNEY)

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## I.

### **INTRODUCTION**

The issue in this appeal involves a legal question whether the voters of a local fire district, who pay special taxes for their fire services and elect their board of directors, have a right of referendum (the people's veto) for a legislative decision, to dissolve by filing an application with LAFCO, contrary to the will of the voters.

The question here is especially pressing and in immediate need for an answer because the board of the locally controlled special district, Julian-Cuyamaca Fire Protection District ("JCFPD"), made an April 10, 2018 decision to cease operations and dissolve the JCFPD. As a local election and ballot measure lawsuit, a decision on this appeal is needed on or before August 10, 2018 so that the subject Referendum Petition (against the resolution to dissolve) can be placed on the November 6, 2018 general election ballot as required by law. (Elections Code §§ 9340 and 9145; *see* concurrently filed Motion for Calendar Preference, pp. 2, 3-5, 9, and supporting declaration of Craig A. Sherman, ¶¶ 3-5, therein.)

The decision of the JCFPD board will likely be overturned as evidenced by the ability of *volunteers* to collect more than ten percent of the District voters (voting in the last gubernatorial election) and presenting said Referendum Petition to the JCFPD board on May 8, 2018, within thirty days



of the April 10, 2018 decision. (AA 256-257 [Crouch Decl. ¶¶ 6-9]; *see also* e.g. AA 259-261 [Crouch Decl., Exhibit 1 thereto].) Further, according to the statutory requirements of Elections Code section 9144, applicable to local fire districts through Elections Code section 9340, upon the May 8, 2018 presentation of the Referendum Petition to the JCFPD, it was required to immediately suspend Resolution No. 2018-03 and cease dissolution activities.

In the expedited trial court writ proceeding below, the court denied Appellants' petition. According to Judge Medel, the *LAFCO process* of dissolution of a local fire district is a subject of statewide concern. (AA 458-459, hereafter "Decision.") However, that was not the issue the trial court needed to determine and it is not the legal question on appeal.

The trial court erred by conflating the decision of *whether to dissolve*, as made on April 10, 2018 through JCFPD's "Resolution No. 2018-03" – a purely legislative and local policy decision to apply for dissolution, with the *process of dissolution* which is administered by LAFCO and governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

As a result, the trial court has improperly silenced the voters and prevented them from having an opportunity to petition against a remiss and politically hostile board of directors. On behalf of the local Fire District community, appellants Dave Southcott, Brian Crouch, Mike Hatch, Eva Hatch, and Julian Volunteer Fire Company Association (collectively

“Appellants”) appeal the decision of the trial court and now seek review for proper application of law and an order allowing them a vote of referendum.

Real party in interest, San Diego Local Agency Formation Commission (“LAFCO”), is a principal advocate seeking to expand its control of local affairs by arguing and dictating that local legislative decisions are neither local nor legislative. LAFCO argued (incorrectly) before the trial court that courts are not to interfere with LAFCO. (AA 399:13-25)

Appellants request this Court reverse the trial court’s erroneous decision and find that JCFPD’s Resolution No. 2018-03 is subject to referendum, and order that Respondents comply with the requirements that Resolution No. 2018-03, and its continuing efforts to dissolve the JCFPD, are suspended until the Fire District electorate is provided an opportunity to vote on the Referendum Petition.

According to long-established case law authority, this Court should “jealously guard this right of the people and to prevent any action which would improperly annul that right.” (*Martin v. Smith*, (1959) 176 Cal.App.2d 115, 117.)

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## **II.**

### **STATEMENT OF FACTS AND PROCEDURAL HISTORY**

#### **A. THE LEGISLATIVE HISTORY OF RESOLUTION NO. 2018-03 AND REFERENDUM PETITION**

The JCFPD board heard and decided the subject agenda Item 13 at its regular monthly meeting on Tuesday, April 10, 2018, pertaining to dissolution of the JCFPD through the adoption of Resolution No. 2018-03. (AA 117, 150-151 [Sherman Decl. ¶ 10 Ex. H].) Resolution No. 2018-03 is not an application for dissolution (AA 150-151 [¶ 10]) as compared to the Application made to LAFCO that was filed and date-stamped on April 11, 2018 (AA 156-157 [Ex. H at pp. 7-8].) The JCFPD's application for dissolution ("Application") was filed on April 11, 2018, the day after the passage of Resolution No. 2018-03. (AA 156-157)

Subsequent to District's decision and resolution made on April 10, 2018, Appellants organized a referendum petition drive and gathered sufficient signatures to rescind Resolution No. 2018-03. (AA 256-257 [¶¶ 6-9]) Appellants and supporters prepared and circulated petitions within the geographical boundaries of the JCFPD obtaining signatures of registered voters as set forth in the Referendum Petition. (AA 259-261)

On May 8, 2018, The Referendum Petition was presented by Appellants to JCFPD's board president Jack Shelver and board secretary Marcia Spahr, within

thirty days of the adoption of Resolution No. 2018-03, at the start of the May 8, 2018 meeting. (AA 115, 257)

Pursuant to Elections Code section 9144 (applicable to districts through Elections Code section 9340), upon the presentation of the Referendum Petition on May 8, 2018, Resolution No. 2018-03 was suspended and all activities in furtherance of the dissolution of the JCFPD were to immediately cease.

**B. RESPONDENTS CONTINUED DISSOLUTION AFTER THE  
REFERENDUM PETITION WAS PRESENTED ON MAY 8, 2018**

Despite receipt and multiple advisements by Appellants, since May 8, 2018, the JCFPD has continued to pursue its dissolution efforts under Resolution No. 2018-03 by making one or more applications and agreements with Real Parties' agencies in furtherance, and with intent to, implement and finalize the dissolution of the JCFPD. (AA 115-117, 122-140, 143, 363)

Respondents have moved swiftly to dissolve the JCFPD, including District entering an agreement with County to transfer immediate interim fire services while dissolution is completed. (AA 81-90, 122-125, 257 [¶ 10])

On May 10, 2018, Counsel for Appellants wrote the executive director and legal counsel for LAFCO asking and directing said agency to cease and desist the administrative processing of JCFPD's application, in light of the statutory suspension rule under California Elections Code section 9144. (AA 136-137) On May 11, 2018, counsel for LAFCO wrote a letter to Appellants counsel indicating

that it rejected the legal efficacy of the Petition for Referendum and LAFCO would continue actions to dissolve the District. (AA 138-140)

On May 11, 2018, counsel for Appellants wrote to County, seeking compliance with the Referendum Petition's legal effect of suspension of Resolution No. 2018-03, by County removing Agenda Item No. 2 from its May 15, 2018 agenda (to proceed with dissolving the JCFPD by reorganizing the Julian-Cuyamaca Fire Protection District into County Service Area No. 135). (AA 116, 141-142, 143) County refused and responded that it would immediately be moving forward with dissolution activities. (AA 116)

County has taken additional steps to facilitate dissolution including replacement of JCFPD equipment and personnel with County and CalFire "management takeover" during the interim dissolution time period. (AA 126-135, 143)

### **C. LITIGATION HISTORY**

After it became clear that Respondents would not halt dissolution activities, or honor the people's right to referendum of Resolution No. 2018-03, Appellants have moved quickly to have this matter heard before the trial court and bring this appeal. Counsel for Appellants set and gave notice of an *ex parte application* the same day the lawsuit in the underlying suit was filed on May 14, 2018. (AA 10, 91-94) Appellants' *ex parte* request for an alternative writ and temporary stay order was heard by the trial court the next day on May 15, 2018.

(AA 91; *see also* AA 337) Both District and LAFCO were represented by counsel at the hearing. (AA 340:6-12) The trial court denied Appellants' *ex parte* application based on a legal finding that Resolution No. 2018-03 was a local administrative action within exclusive LAFCO jurisdiction not subject to referendum. (AA 350:5-17; AA 336 [minute order].)

At Appellants' request, the trial court scheduled an expedited writ of mandate hearing for June 8, 2018 with Appellants agreeing to rely on their *ex parte* application as their moving papers. (AA 354:17, 354:23-355:2, 374-376) Further responsive briefing for the June 8, 2018 hearing was followed with Respondents and Real Parties filing oppositions (AA 382-389 [JCFPD Opposition]; AA 394-400 [LAFCO Opposition]), and Appellants filing a reply brief (AA 410-420).

After issuing a Tentative Ruling on June 6, 2018 (AA 456-457), on June 8, 2018, the trial court heard argument and ruled against Appellants again finding that Resolution No. 2018-03 was an administrative act not subject to referendum. (AA 473:10-13.) Upon request, the trial court was made aware of Appellants' need to expedite the issuance of judgment so this matter could be swiftly appealed and so that the matter of the November election redressed. (AA 469:18-24) At the Jun 8, 2018 hearing and in the subsequent Minute Order, the trial court adopted its Tentative Ruling as its final *Statement of Decision*. (AA 458-459) On June 13, 2018, Appellants delivered a proposed judgment (agreed to by all parties) to Judge Medel's department, with the trial court entering judgment

on June 28, 2018. (AA 475-476) Appellants first learned on July 9, 2018 that the judgment had been signed, and filed their Notice of Appeal on July 11, 2018. (AA 479-480) However, the backlogs in the clerk's and appeal division offices of the Superior Court prevented Appellants from immediately obtaining a case number and effectuating any Court of Appeal filings. (See concurrently filed Motion for Calendaring Preference, Sherman Decl. ¶ 13.) Therefore, Appellants filed a separate appeal by way of *Petition for Writ of Mandate, Emergency Stay Order, or Other Extraordinary Relief* with this Court on July 17, 2017. (Id., Sherman Decl. ¶15.) On July 19, 2018, this Court issued an Order with a summary denial of the *Petition for Writ of Mandate, Emergency Stay Order, or Other Extraordinary Relief*, denied the petition. (Id., Sherman Decl. ¶¶ 16-17, Exhibit E, thereto.)

### III.

#### **APPEALABILITY**

This appeal arises from a decision and final judgment after a hearing on the petition for writ of mandate, as made by the Honorable Kenneth J. Mendel, presiding. (AA at 475-476) This Judgment is appealable pursuant to California Code of Civil Procedure § 904.1, subdivision (a)(1).

There are other ongoing and separate lawsuits between Appellants and the JDFPD arising from certain Brown Act and statutory noticing violations involving the adoption of Resolution No. 2018-03 (San Diego Superior Court,

Case No. 2018-00020015) and subsequent actions related to interim dissolution and dismantling of the local Fire District (San Diego Superior Court, Case No. 37-2018-31479. Case No. 2018-00020015 has been calendared for a writ petition hearing on November 2, 2018. Case No. 37-2018-31479 was filed on July 11, 2018 and has yet to be calendared for a hearing.

#### **IV.**

#### **STANDARD OF REVIEW**

There should be no dispute that the issue on appeal involves a pure question of law. As acknowledged by the trial court, the primary legal issue in this case relates *to case authority and statutory authority that the district's actions in this case are not subject to the referendum process by law.* (AA 350:13-17; *see also* AA 459)

#### **A. AN INDEPENDENT REVIEW IS APPLIED TO THIS COURT'S INTERPRETATIONS OF LAW**

It is well-settled that questions of law are reviewed *de novo*. (*Committee for Green Foothills v. Santa Clara County Bd. of Supervisors*, (2010) 48 Cal.4th 32, 42.) “The trial court’s determination of questions of law is reviewed under an independent review standard.” (*Scott v. Common*



*Council*, (1996) 44 Cal.App.4th 684, 689; *see also Ghirardo v. Antonioli*, (1994) 8 Cal.4th 791, 800-801; *Donaldson v. Department of Real Estate*, (2005) 134 Cal.App.4th 948, 954.)

Questions about the proper application and interpretation of statutes are questions of law. (*Taxpayers for Accountable School Bond Spending v. San Diego Unified School Dist.*, (2013) 215 Cal.App.4th 1013, 1057.)

**B. WHETHER AN AGENCY PERFORMED A LEGAL DUTY OR  
FAILED TO FOLLOW PROCEDURE PURSUANT TO CODE OF  
CIVIL PROCEDURE § 1085 IS A LEGAL QUESTION REVIEWED  
DE NOVO**

In considering whether an agency followed the correct procedure in a writ of mandamus case pursuant to Code of Civil Procedure section 1085, this Court employs a *de novo* standard of review. (*See Citizens for East Shore Parks v. State Lands Commission*, (2011), 202 Cal.App.4th 549, 573, modified (Jan. 27, 2012, No. A129896) \_\_\_Cal.App.4th\_\_\_ [2012 Cal. App. LEXIS 76]; *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles*, (2009) 175 Cal.App.4th 1396, 1405; *Fry v. Saenz*, (2002) 98 Cal.App.4th 256, 262.)

The substantial evidence test and weighing of evidence is not at issue or necessary for adjudication of this appeal because there are no disputes as to the essential facts. (*Cf. Fry v. Saenz*, at p. 262 [“As the essential facts are

undisputed, we have only questions of law before us. In reviewing the denial of a petition for writ of mandamus. . . we review questions of law de novo.”].)

## V.

### ARGUMENT

#### **A. THE JULIAN CUYAMACA FIRE PROTECTION DISTRICT IS A LOCAL DISTRICT, UNDER LOCAL CONTROL, WITH A VOTER ELECTED BOARD; AN INITIAL DECISION WHETHER OR NOT TO REMAIN UNDER LOCAL CONTROL (OR DISSOLVE) IS A LOCAL POLICY OR LEGISLATIVE DECISION - NOT A MATTER OF STATEWIDE CONCERN**

Respondents at no time have questioned the argument of Appellants that the JCFPD is a local agency that is subject to referendum pursuant to the California Elections Code and the Bergeson Fire District Law. (Elections Code §§ 9340, 9144; Health and Safety Code § 13801). The trial court did not deny Appellants’ requested writ of mandate on those grounds. (AA 458-459 [Decision at pp. 1-2]) Instead, the dispute in this case arises over Respondents’ and Real Parties’ contentions that the *process* of a dissolution, commencing with the LAFCO application is *administrative* and therefore nullifies local voters’ oversight and right of referendum that they would otherwise have over the actions of the JCFPD board. (AA 365:17-18 [“The District’s act of applying to LAFCO for dissolution was administrative rather

than legislative.”]; AA 378:21-22 [“the District cannot compel dissolution nor can it compel LAFCO to approve the application of dissolution.”].)

Respondents attempt to mix fruit and vegetables by arguing that Appellants are challenging the *process of dissolution*. The trial court agreed with Respondents and real parties, finding that:

The District cannot compel dissolution nor can it compel LAFCO to approve the application of dissolution. Because only LAFCO has the power to dissolve the District, the District’s resolution to dissolve is administrative and such an administrative act is not subject to referendum as a matter of law.

(AA 459)

The trial court erred in determining that Resolution No. 2018-03 was an administrative act based on the undisputed premise that District “cannot compel dissolution” nor “compel LAFCO to approve an application of dissolution.” (*Id.*) This is erroneous and misses the mark because Appellants simply do not challenge any part of the LAFCO *dissolution process*. (AA 18 [*Petition* at ¶ 34])

By its ruling, the trial court ignored the actual issue in this case – that the *decision made by the JCFPD board of directors*, to make a dissolution application, is a legislative and policy decision subject to a referendum. (AA 458-459) In fact, JCFPD’s *decision* was made in the form of a Resolution (No. 2018-03) and is the resolution for which the Referendum Petition was circulated and filed. (AA 190) The Petition was *not* brought against the

subsequent application of the JCFPD, or against any preliminary or anticipated decisions or processes of LAFCO. (AA 10-26)

*1. There is a Critical Difference Between a Local Agency Resolution Making a Decision to Proceed with Dissolution and the Application Proceedings at LAFCO Regarding Whether and How it Might Allow Dissolution*

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, (commencing with section 56000 of the California Government Code, hereafter “CKH”) is the procedural framework for general district reorganization. This is not in dispute. However, what Respondents and Real Parties seek to obscure, and the issue and jurisdictional line that the trial court failed to correctly interpret, involves point that the LAFCO *administrative procedure* takes over and becomes an issue of statewide concern such that local JCFPD voters are denied their right of referendum and control over their local First District.

There are two methods for a district to make the legislative decision to seek dissolution and enter the world of dissolution or consolidation process described and controlled by the CKH. The first is by a petition of voters or by resolution of application by the board of a district. (Government Code § 56650.) **A petition of voters is a legislative act, as evidenced by the process by which initiatives and referenda are placed on the ballot. (See**

***e.g. Election Code §§ 9144-9145; see also e.g. Government Code § 56654, subds. (a), (b) & (c).*** As stated in the Government Code section 56654, subdivision (a): “A proposal for a change of organization or a reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency. . .”.

The follow-on legislated process allows that “Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.” (Government Code § 56658, subd. (a); see also Government Code § 56611, subd, (a).) Further, the petition filing and eligibility requirements, pursuant to making an initial LAFCO application, mirror requirements for initiatives and referendum in the election code – clearly recognizing that the *decision to apply for dissolution is a legislative act*. (See Government Code §§ 56700-56711)

LAFCO argued to the trial court that “the District cannot compel dissolution nor can it compel LAFCO to approve the application of dissolution.” (*Cf.* AA 378:21-22) This statement is inapplicable, contorted, and need not be disputed because LAFCO’s process occurs only after a legislative action and decision is made to file an application. (Government Code § 56651 [commission proceedings **not** initiated with the passage of a resolution for dissolution].) However, the trial court adopted Respondents’ argument. (AA 459 [“The District cannot compel dissolution nor can it compel LAFCO to approve the application of dissolution.”].) The trial

incorrectly applied irrelevant post-application proceedings of LAFCO as if it applied to JCFPD's prior and unrelated legislative and policy decision whether its board, on behalf of its voters, *wanted* to dissolve. (*Id.*)

Contrary to the trial court's finding, the subject Resolution No. 2018-03 bears out that it is **legislative**. In fact, Resolution No. 2018-03 is not even the *actual* application to LAFCO. Rather, said Resolution No. 2018-03 is the legislative and policy decision to allow the preparation and submission of the *application*, required by LAFCO pursuant to Government Code section 56652, which then creates the *initiation* of a LAFCO matter with all its incumbent procedures. (*See* AA 156-157 ["Application for Expansion of Latent Powers in Association with Julian/Cuyamaca Fire Protection District Special District Dissolution"].)

On appeal, Appellants request this Court to consider the undisputable fact that Resolution No. 2018-03, approved on April 10, 2018, and the application submitted by the JCFPD to LAFCO on April 11, 2018, are different *acts* and *documents* – the first *legislative* and the latter *administrative*. This distinction is critical because it demonstrates that the Resolution was passed prior to application and the initiation of LAFCO dissolution proceedings.

2. *The Trial Court Did Not Follow the Standard of “Extraordinary Deference” Afforded to the Public’s Right of Referendum*

The trial court’s Decision does not mention the standard of deferential review involved in cases involving inquiry whether a referendum petition is allowed or not. (AA 458-459)

Because the issue here involves questions of law, this Court applies *de novo* review. (See Section IV, *ante*.) In reviewing the legal issue, whether Resolution No. 2018-03 is subject to referendum, the standard is *extraordinary deference* in favor of Appellants.

The starting point of inquiry in deciding the validity of the Referendum Petition, and related actions involved in dissolving the JCFPD, is that all doubts must be resolved in favor of the people’s reserved right of referendum. (*Associated Home Builders etc., Inc. v. City of Livermore*, (1976) 18 Cal.3d 582, 591; *Pala Band of Mission Indians v. Bd. of Supervisors*, (1997) 54 Cal.App.4th 565, 573-574 [“The state constitutional right of initiative or referendum is ‘one of the most precious rights of our democratic process.’”]; *see also Gayle v. Hamm*, (1972) 25 Cal.App.3d 250, 258.) Courts have the duty to “jealously guard this right of the people and to prevent any action which would improperly annul that right.” (*Martin v. Smith*, (1959) 176 Cal.App.2d 115, 117.)

Well-settled law requires “extraordinarily broad deference” to the voters’ ability to bring initiatives and referenda. (*Id.*) This extraordinary level

of deference is warranted because “the power of initiative and referendum, as exercised in this state, is the exercise by the people of a power *reserved* to them, and not the exercise of a right *granted* to them. Section 1, article IV, of the Constitution expressly so provides.” (*Ley v. Dominguez*, (1931) 212 Cal. 587, 593, italics in original.)

The trial court’s finding, that Resolution No. 2018-03 is not subject to referendum, must be judicially reviewed and resolved in favor of Appellants’ right of referendum with this Court giving “extraordinary deference” to that right. Nothing of the opposition comes close to overcome the presumption and deference to be accorded. Tellingly, the **Respondents’ and Real Parties’ briefing to the trial court did not cite a single case where and initial legislative resolution or application to dissolve a district – prior to becoming a LACFO issue or administrative matter – is a statewide concern.** (*Cf.* AA 386-388, 396-398) In fact, Government Code § 56650 recognizes proceedings for a change of organization may be initiated by a petition of voters or by resolution of application of board of a district. This part of the dissolution equation is not *yet* a LAFCO matter. These are matters controlled by local districts and the persons entitled to petition (and control) their local fire district, as the California State Legislature intended. (Health and Safety Code § 13801.)



3. *Initial Local Fire District Decision Whether or Not to Dissolve are Legislative and Policy Decisions; The Trial Court Relied on Respondents' and Real Parties' Clearly Distinguishable and Inapplicable Cases*

The Decision of the trial court principally relied on two cases to determine that Resolution 2018-03 is not subject to referendum. (AA 458, citing *Ferrini v. City of San Luis Obispo* (“*Ferrini*”), (1983) 150 Cal.App.3d 239; and *Friends of Mount Diablo v. County of Contra Costa* (“*Mount Diablo*”), (1977) 72 Cal.App.3d 1006.) Neither case stands for the proposition that a resolution of an independent local fire district, deciding to apply for dissolution, is an *administrative* action.

In their opposition briefs, Respondents and Real Parties cited *Ferrini* for the proposition that “Courts have repeatedly held that local agency actions regarding reorganizations under LAFCO’s authority are not subject to referendum.” (AA 396:23-24; *see also* AA 386-387 [District Opp. at 5:16-24 & 6:1-7, citing *Ferrini* at pp. 242-243].)

Respondents did not define “local agency actions” or explain to the trial court how *Ferrini* has direct application to Resolution 2018-03. (*Id.*) There is good reason they did not try to do so – because there is none. The facts and opinion in *Ferrini* do not involve or address a resolution by an independent local district deciding whether or not to seek dissolution. The court in *Ferrini* considered a matter whereby the citizens of the San Luis Obispo could not have a charter vote trying to control a LAFCO annexation matter involving

uninhabited land *after an application had been made to it* by the landowner. (*Ferrini, supra*, 150 Cal.App.3d at p. 242 [decided under MORGA, the statutory predecessor to the CKH].) Notably, there was no challenge to the *initial decision to apply for* annexation. (*Id.* at p. 245.) Rather, the *Ferrini* case concerned and addressed that voters of a city do not have a right, or initiative ability, to enact a separate charter amendment as a way to upend and stop an already-filed annexation proceeding. (*Id.* at p. 245.) The rejection of San Luis Obispo voters' ability to suspend an annexation application, *after it had already been made*, would be akin to voters of the County of San Diego filing a voter initiative to prevent LAFCO from joining JCFPD to a new County Service Area after the LAFCO application had been properly made. The trial court erroneously found the decision in *Ferrini* applies to this case.

The *Mount Diablo* case is similarly inapplicable to this current action. In *Friends of Mount Diablo v. County of Contra Costa*, (1977) 72 Cal.App.3d 1006, petitioners sought to challenge the county's decision to approve the LAFCO reorganization of an already-filed LAFCO application. (*Id.* at pp. 1009-1010.) The court found that such a decision was an administrative action not subject to referendum because a referendum, at that midstream stage of the LAFCO administrative proceedings would interfere with the

policy of the State on a subject of statewide concern. (*Id.* at pp. 1011-1013.)<sup>1</sup> Tellingly, the court specifically noted that *petitioners had a right to challenge the initial rezoning ordinance via referendum, but they did not.* (*Id.* at p. 1009.) Here, Appellants timely challenged the initial legislative decision of JCFPD whether or not it should cease from being a local fire district – an occurrence and act prior to any LAFCO proceeding – a matter that is subject to referenda.

Here, there is no doubt that the Referendum Petition challenges the initial legislative decision to apply for dissolution. (AA 117, 151-152, 256-257, 259) The trial court erroneously ruled that the decision of *Friends of Mount Diablo* applied in this case as a bar to Appellants’ right of referendum.

#### *4. Further Cases Argued by Respondent are Inapplicable to the Present Case*

In their briefing and at oral argument, Respondents and Real Parties argued two other distinguishable and inapplicable cases – *Las Tunas Beach Geologic Hazard Abatement Dist. v. Superior Court* (“*Las Tunas*”), (1995) 38 Cal.App.4th 1002, and *L.I.F.E. Comm. v. City of Lodi* (“*Lodi*”), 213 Cal. App. 3d 1139. (AA 378, citing *Las Tunas*; AA 471:16-22, [citing *Lodi*].)

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<sup>1</sup> The court also noted that the resolution challenged by the petitioners in that case was purely a final *administrative* action because the Contra County Board of Administrators had *only* the power to approve or disapprove, without ability to modify, according to specific provisions of the DRA. (*Id.* at p. 1009.)

LAFCO cited and briefed *Las Tunas Beach Geologic Hazard Abatement Dist. v. Superior Court* (“*Las Tunas*”), (1995) 38 Cal.App.4th 1002, for the proposition that the CKH is the exclusive method for dissolution of any district. (AA 397-398, citing *Las Tunas* at p. 1012.)

Admittedly, a city cannot create an alternative dissolution **procedure** for a geologic hazard abatement district (GHAD) because the process of dissolving a GHAD, once initiated, is subject to CKH. (*Las Tunas* at p. 1012.) However, the court of appeal in *Las Tunas* did not create a blanket rule that the CKH occupy the field of all district formations, dissolutions, and annexations, nor could it. In fact, the *Las Tunas* court found that, for the *formation* of a GHAD, the generalized procedures of the CKH did not apply because the GHAD statutory scheme had its own specific formation procedures. (*Id.* at p. 1010.)

The legal issue presented in *Las Tunas*, whether a city can create alternative dissolution procedures for a GHAD, is beside the point here. There is no dispute that the CKH has a general *process* of dissolution (once initiated and filed), but that has nothing to do with a local agency’s legislative decision, as present in this case, whether or not to make an application for dissolution. This is especially true where the Legislature specifically enacted a statutory paradigm whereby decisions of a local fire district are locally controlled and expressly stated as not being subject to statewide interest or control. (Health and Safety Code § 13801.)

Respondents and Real Parties do not provide any contrary authority that the JCFPD is specifically identified by the Legislature as being a district where “Local control over the types, levels, and availability of these services is a long-standing tradition in California which the Legislature intends to retain.” (*Id.*) JCFPD’s initial resolution and decision to retain or dissolve such local fire control is a legislative local decision. The fact that subsequent dissolution procedures remain solely within the CKH has no effect on the rights and controls of the electorate of their local Fire District.

The issue in the *Lodi* decision, as with *Mount Diablo*, involved whether citizens of a city had authority to enact separate laws or zoning, during already-filed annexations, as a veto power, thus interfering with the annexation *process*. (*Lodi, supra*, 213 Cal.App.3d at pp. 1145-1146 [“a local ordinance allowing city voters to pass judgment on proposed annexation proceedings is inconsistent with the statutory scheme for annexation.”].)

None of the cases cited by the opposition, or adopted by the trial court, address the question and issue whether the *initial decision* of a local district to dissolve and file a LAFCO application is a legislative act subject to referendum.

5. *The Trial Court Did Not Resolve All Doubts in Favor of the Right of Voters to Referendum*

As a case of first impression involving initial dissolution decisions, along with statutory authority that the electorate of a local Fire District (such as the JCFPD) have a right to referendum<sup>2</sup>, those rights should be heavily guarded in favor of Appellants here.

On the issue of whether the Referendum Petition is subject to referendum, **all doubts** must be resolved in favor of the electorate and petitioners. (*Associated Home Builders etc., Inc. v. City of Livermore, supra*, 18 Cal.3d at p. 591; *Pala Band of Mission Indians v. Bd. of Supervisors, supra*, 54 Cal.App.4th at pp. 573-574 [“The state constitutional right of initiative or referendum is ‘one of the most precious rights of our democratic process.’”]; *see also Gayle v. Hamm, supra*, 25 Cal.App.3d at p. 258.)

There are yet additional reasons in favor of Appellants what warrant and support trial court reversal. First, the Elections Code and the Bergeson Fire District Law (Cal. Elections Code §§ 9340, 9144; Health and Safety Code § 13801) both declare that the JCFPD is a legislative body whose resolutions are legislative actions and the Legislature stated its intent that fire districts like JCFPD are legislative bodies under local control. (Health and Safety Code § 13801.)

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<sup>2</sup> Elections Code §§ 9340, 9144; Health and Safety Code § 13801, discussed immediately below.

Second, and most telling, the CKH itself delineates and acknowledges that a district or a local agency invokes the CKH application and administrative processing *via a legislative process*, by way of either *petition* or *resolution*, as the manner to decide whether to seek dissolution. (Government Code § 56650.)

Based on undisputed acts of Appellants' timely preparation and presentation of the subject Referendum Petition, the Legislature's intention for independence and legislative powers of local fire districts, and the legal effect that decisions to initiate a dissolution proceeding is a policy and legislative question (not an administrative matter under any cited or other case law precedence), there is substantial and serious doubts against the trial court's finding that Resolution No. 2018-03 is administrative and not subject to referendum.

A declaration of policy is an exercise of legislative power. (*Simpson v. Hite*, (1950) 36 Cal.2d 125, 130.) The decision of the JCFPD to dissolve the JCFPD was a policy decision and based on a resolution akin to an ordinance with findings made by the JCFPD. (AA 150-151)

With the numerous doubts and erroneous case law interpretations made by the trial court, along with the extraordinary deference standard that favors the preservation of Appellants' right of referendum by Fire District voters – the Referendum Petition involves a proper legal matter and should be placed

on the ballot for a vote of the JCFPD electorate as to whether they want to continue as a local fire district.

**VI.**  
**CONCLUSION**

For the above reasons, and with the question and issue in this case involving rather straightforward legal issue, Appellants request reversal of the Decision and Judgment of the trial court with direction to enter a new judgment consistent with this Court's opinion.

Respectfully Submitted,

Dated: July 24, 2018

**CRAIG A. SHERMAN,**  
**A PROFESSIONAL LAW CORPORATION**

/s/Craig Sherman.  
Craig A. Sherman, Esq.  
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DAVE SOUTHCOTT ET AL.



**VII.**

**CERTIFICATION OF WORD COUNT COMPLIANCE**

Counsel of record for Appellant, Craig A. Sherman, hereby certifies that pursuant to California Rules of Court, Rule 8.204, subd. (c), that the above *APPELLANTS' OPENING BRIEF* has been produced using 13-point Roman type, and contains 5,490 words (including footnotes, headings, and citations), which is less than the 14,000 words permitted by this rule, as counted by the word counter of the computer program used to prepare the brief.

Dated: July 24, 2018

**CRAIG A. SHERMAN, A PROFESSIONAL  
LAW CORPORATION**

/s/Craig Sherman.  
Craig A. Sherman, Esq.  
Attorney for Appellants  
DAVE SOUTHCOTT ET AL.

**COURT OF APPEAL, STATE OF CALIFORNIA  
FOURTH APPELLATE DISTRICT, DIVISION ONE**

**DECLARATION OF SERVICE**

*Southcott, et al. v. Julian-Cuyamaca Fire Protection District, et al.*  
Court of Appeal Case No. D074324  
San Diego Superior Court Case No.: 37-2018-23393-CU-WM-CTL

I, PAUL BEST, declare that:

I was at least 18 years of age and not a party to the case; I am employed in the County of San Diego, California. My business address is 1901 First Avenue, Suite 219, San Diego, California, 92101.

On August 3, 2018, I electronically filed the below listed documents with the Clerk of the Court for the Court of Appeals, Fourth Appellate District, Division One, by using the appellate EFS system, described as:

**APPELLANTS' OPENING BRIEF**

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VOTERS

I further declare that some of the participants in the case are not registered for the Electronic Filing System (EFS) TrueFiling Portal. I have served said participants by placing a copy of the above listed document(s) in a separate envelope, with postage fully pre-paid, and depositing each in the U.S. Mails at San Diego, CA, to the following non-EFS participants:

Hon. Kenneth J. Medel San Diego Superior Court Department 66 330 West Broadway San Diego, CA 92101	
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I declare under the penalty of perjury under the laws of the State of California that the above foregoing is true and correct.

Executed on August 3, 2018 at San Diego, California.

  
Paul Best

**COURT OF APPEAL, STATE OF CALIFORNIA**  
**FOURTH APPELLATE DISTRICT, DIVISION ONE**

DAVE SOUTHCOTT;	)	Appeal No. D074324
BRIAN CROUCH; MIKE HATCH;	)	
EVA HATCH; JULIAN VOLUNTEER	)	San Diego Super. Ct., Case No.
FIRE COMPANY ASSOCIATION	)	37-2018-23393-CU-WM-CTL
	)	
Appellants and Petitioners,	)	
	)	
JULIAN-CUYAMACA FIRE	)	
PROTECTION DISTRICT; JACK	)	
SHELVER; MARCIA SPAHR	)	
	)	
Respondents,	)	
	)	
COUNTY OF SAN DIEGO; COUNTY	)	
OF SAN DIEGO LOCAL AGENCY	)	
FORMATION COMMISSION	)	
	)	
Real Parties in Interest	)	
	)	

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Appeal from the Judgment of the San Diego Superior Court  
Honorable Kenneth J. Medel, Presiding

---

**PROOF OF SERVICE OF APPELLANTS' OPENING BRIEF**

---

Craig A. Sherman, Esq.  
State Bar No. 171224  
CRAIG A. SHERMAN,  
A PROFESSIONAL LAW CORPORATION  
1901 First Avenue, Suite 219  
San Diego, CA 92101  
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[CraigShermanAPC@gmail.com](mailto:CraigShermanAPC@gmail.com)  
Attorney for Appellants and Petitioners

**COURT OF APPEAL, STATE OF CALIFORNIA  
FOURTH APPELLATE DISTRICT, DIVISION ONE**

**DECLARATION OF SERVICE**

*Southcott, et al. v. Julian-Cuyamaca Fire Protection District, et al.*  
Court of Appeal Case No. D074324  
San Diego Superior Court Case No.: 37-2018-23393-CU-WM-CTL

I, PAUL BEST, declare that:

I was at least 18 years of age and not a party to the case; I am employed in the County of San Diego, California. My business address is 1901 First Avenue, Suite 219, San Diego, California, 92101.

On August 3, 2018, I electronically filed the below listed documents with the Clerk of the Court for the Court of Appeals, Fourth Appellate District, Division One, by using the appellate EFS system, described as:

**APPELLANTS' OPENING BRIEF**

Participants in the case who are registered EFS users will be served by the appellate EFS system:

Gena B. Burns, Esq.  
8100 La Mesa Boulevard, Suite 200  
La Mesa, CA 91942  
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**Counsel for Respondents**  
JULIAN-CUYAMACA FIRE  
PROTECTION DISTRICT, JACK  
SHELVER, AND MARCIA SPAHR

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SAN DIEGO LAFCO

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**Counsel for Respondents**  
COUNTY OF SAN DIEGO and  
L. MICHAEL VU, REGISTRAR OF  
VOTERS

I further declare that some of the participants in the case are not registered for the Electronic Filing System (EFS) TrueFiling Portal. I have served said participants by placing a copy of the above listed document(s) in a separate envelope, with postage fully pre-paid, and depositing each in the U.S. Mails at San Diego, CA, to the following non-EFS participants:

Hon. Kenneth J. Medel San Diego Superior Court Department 66 330 West Broadway San Diego, CA 92101	
--	--

I declare under the penalty of perjury under the laws of the State of California that the above foregoing is true and correct.

Executed on August 3, 2018 at San Diego, California.

  
Paul Best

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 2



1901 FIRST AVENUE, SUITE 219  
SAN DIEGO, CA 92101

TELEPHONE  
(619) 702-7892

FACSIMILE  
(619) 702-9291

September 7, 2018

***Via Email***

SAN DIEGO LAFCO

c/o John Traylor, Consultant ([john.traylor@sdcounty.ca.gov](mailto:john.traylor@sdcounty.ca.gov))

c/o Keene Simonds, Executive Officer ([keene.simonds@sdcounty.ca.gov](mailto:keene.simonds@sdcounty.ca.gov))

c/o Tamaron Luckett, Clerk of the Board ([tamaron.luckett@sdcounty.ca.gov](mailto:tamaron.luckett@sdcounty.ca.gov))

9335 Hazard Way, Suite 200

San Diego, CA 92123

To Appointed Commissioners and Administrative Staff of LAFCO:

Re: Agenda Item No. 1 – Public Hearing Item (Public Hearing)

Objections to Joint-Reorganization and Associated Sphere Amendments  
Concurrent Dissolution of the Julian-Cuyamaca Fire Protection District and  
Latent Power Area Expansion of County Service Area No. 135 (County Fire  
Authority); File No. RO18-09 et al.

**REQUESTED ACTION:** DENY OR SUSPEND THE JOINT-REORGANIZATION  
PROPOSAL FILED BY THE JULIAN-CUYAMACA FIRE  
PROTECTION DISTRICT (FPD) AND COUNTY SERVICE  
AREA (CSA) NO. 135

**EXPLANATION AND REASON  
FOR REQUESTED ACTION:**

1. MULTIPLE LEGAL ACTIONS ARE CURRENTLY ONGOING  
RELATED TO THE VALIDITY OF THE DECISION OF THE  
JULIAN-CUYAMACA FIRE PROTECTION DISTRICT TO SEEK  
DISSOLUTION OF THE DISTRICT; FINAL JUDICIAL REVIEW  
AND DETERMINATIONS SHOULD BE RESOLVED PRIOR TO  
LAFCO ACTION TO AVOID A SIGNIFICANT WASTE OF TIME  
AND MONEY RESOURCES.
2. DISSOLUTION ACTION IS STRONGLY OPPOSED BY THE  
VOTERS IN THE JULIAN DISTRICT AND THIS LAFCO BOARD  
SHOULD HONOR SUCH REQUEST FOR CONTINUED LOCAL  
CONTROL.



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Objections to Public Hearing Item No. 1  
for September 10, 2018 LAFCO Commission Meeting

This office has been retained and represents the long-tenured local fire company (Julian Volunteer Fire Company Association, a statutorily recognized fire company) and numerous interested local firefighters, and local voting and taxpaying district citizens located within the Julian-Cuyamaca Fire Protection District.

For the below reasons, it is strongly urged that LAFCO deny Agenda Item No. 1 at the September 10, 2018 meeting, or at a minimum, suspend any decision until after all litigation related to the dissolution of the Julian-Cuyamaca Fire Protection District (“JCFPD”) is fully resolved.

#### **A. LAWSUITS AFFECTING POSSIBLE DISSOLUTION/CONSOLIDATION**

1. Crouch, et al. v. JCFPD (Case No. 37-2018-00034179-CU-WM-CTL);  
Julian Fire Company Association v. JCFPD (Case No. 37-2018-00020015-CU-WM-CTL)

These lawsuits are related to alleged Brown Act violations related to the lead up for JCFPD to have been able to take action or adopt a resolution of dissolution. This case, since amended, implicates and would rescind the action of the JCFPD Board on April 10, 2018 making the decision to adopt Resolution 2018-03 that LAFCO is attempting to take reorganization administrative action.

As LAFCO should be well aware, Resolution 2018-03 (required for the JCFPD board’s subsequent April 11, 2018 application to LAFCO) is a required element for LAFCO to be able to consider possible reorganization of the JCFPD. Until final resolution of the above this Brown Act lawsuit LAFCO cannot approve dissolution.

2. Southcott, et al. v. JCFPD (Case No. 37-2018-23393-CU-WM-CTL)

This lawsuit was brought because the voters of the JCFPD have prepared, signed, and timely submitted a referendum to overturn the local agency decision of the JCFPD to dissolve. This referendum contains the required number of signatures as confirmed by the Registrar for the County of San Diego on June 26, 2018.<sup>1</sup> While the local JCFPD, the County of San Diego, and LAFCO suggest a referendum is not legally available, that matter was challenged in the Superior Court in the case and is now pending as a matter expedited for calendar preference in the Court of Appeal, Fourth Appellate District (Case No. D074324).

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<sup>1</sup> The County Registrar withdrew certification based on the ongoing litigation; not related to the underlying procedural validity of the Referendum. Just as the County Registrar did not assume the outcome of this litigation, so too should LAFCO. ~~JCFPD Ex. 2:000002~~ suspend proceedings.

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Supporting the local Julian community's right to referendum, the California Supreme Court recently affirmed the strong presumption and extraordinary deference in favor of finding a local agency's policy decision is subject to referendum. (*City of Morgan Hill v. Bushey*, (Aug. 23, 2018, No. S243042) \_\_\_Cal.5th\_\_\_ [2018 Cal. LEXIS 6267, at \*9].) Therefore, not only is LAFCO's current hurried process likely to be rendered null and void, but it is also suspect and irresponsible.

Additionally supporting the likelihood of the Julian community's appeal for its lawful right to a referendum is the fact that respondent JCFPD board and respondent LAFCO have been unable to cite or provide a single reported appellate case in which the initial local agency policy and dissolution decision was found by any court to be preempted by the Cortese-Knox-Hertzberg Act. The two cases cited and relied upon by the County and LAFCO respondents, *Ferrini v. City of San Luis Obispo*, (1983) 150 Cal.App.3d 239; and *Friends of Mount Diablo v. County of Contra Costa*, (1977) 72 Cal.App.3d 1006, are both factually and legally dissimilar and do not rebut the presumption found by the California Supreme Court in favor of a valid referendum.

Based upon the multiple ongoing lawsuits, and because any successful claim therein will void the actions taken by LAFCO to dissolve the JCFPD, it is urged the LAFCO to either abandon the above captioned item, or suspend its action until the legal matters can be resolved.

## **B. THE VOTERS IN THE JCFPD DO NOT WANT THE DISTRICT DISSOLVED**

The County Registrar verified that voters in the JCFPD overwhelmingly qualified a referendum to rescind Resolution 2018-03 (seeking to apply for dissolution) with signatures totaling over 19% of the JCFPD district. (See Attachment 2, June 26, 2018 letter of San Diego County Registrar.)

It is almost a certainty that when given the opportunity to vote, the voters would reject dissolution of their much beholden *local* fire service. This Commission should recognize and respect the will of the voters and uphold its duty to protect local interests by rejecting the matter before it in this Public Hearing Agenda Item No. 1, and move swiftly to take all steps necessary to reject dissolution of the JCFPD.

At a minimum, this Commission should suspend all further action to dissolve the JCFPD in order for voters to be assured that the process of law has been adequately taken, and not monkeyed-around with by a rogue board of directors and County and LAFCO facilitators.<sup>2</sup>

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<sup>2</sup> LAFCO and County complicity is apparent as indicated by the April 11, 2018 staff report and notice being **already completed** and published the same day the JCFPD application was filed. Complicity is also proven by the manner application and processing fees, the legal defense, and handing of all matter adverse to the Julian community as being conducted by LAFCO and the County. All involved should be ashamed.

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**C. THE APPLICATION OF THE BOARD OF THE JCFPD CONTAINS  
INACCURATE INFORMATION**

As demonstrated above in Section A, Item No. 10 on page 10 of the April 11, 2018 Application for Dissolution (*see* Attachment 1) of the Board of the JCFPD contains inaccurate and untrue information that adversely impacts and impairs the ability of the LAFCO board to make an informed decision.

Application Item 10 states:

Discuss any prohibitions that would affect the proposed consolidation/reorganization, including prohibitions in the Principal Acts, pending litigation, court judgments, restricted assets, or other legal and financial issues/constraints.

The board of the JCFPD wrote the following response:

These are no known prohibitions and preclusion that would impact and/or overturn the proposed consolidation/reorganization and would make LAFCO's pending actions both a nullity and waste of time and money.

This is a false and inaccurate statement which requires a revised, updated, and explained application so that it can be reviewed with correct information and so that informed decision-making can be undertaken by LAFCO on the local agency's dissolution request.

Sincerely,



Craig A. Sherman

Enclosures:

Attachment 1 – JCFPD Application for Dissolution  
Attachment 2 – June 26, 2018 Letter of County Registrar

RECEIVED

APR 11 REC'D

**SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**  
APPLICATION FOR EXPANSION OF LATENT POWERS IN ASSOCIATION WITH  
**JULIAN/CUYAMACA FIRE PROTECTION DISTRICT**  
SPECIAL DISTRICT DISSOLUTION

The following information must be submitted with the application;  
additional information may be requested during proposal review.

1. Completed APPLICATION(S) FOR LATENT POWERS EXPANSION AND DISTRICT DISSOLUTION;
2. Certified resolution of application from each subject district or a landowner or registered voter petition making application (Government Code § 56700);
3. A metes – and – bounds legal (geographic) description from the perimeter of the subject area and a reproducible map. Information about mapping requirements is available at [www.sdlafco.org/forms/legal\\_description.pdf](http://www.sdlafco.org/forms/legal_description.pdf); or from the County Assessor's Mapping Division at 619/531-6468;
4. One copy of each subject districts' adopted budget and staffing schedules for the current and previous fiscal year, most recent audits, capital improvement programs/plans, master service plans, and one copy of a five-year proposed budget and staffing schedule for the reorganized agency detailing expenditures, anticipated revenues, and reserves;
5. Completed CAMPAIGN CONTRIBUTION DISCLOSURE FORM and EVALUATION CHECKLIST for DISCLOSURE OF POLITICAL EXPENDITURES;
6. LAFCO processing fee or contact LAFCO staff;
7. Terms and Conditions. Terms and conditions should address assumptions underlying a the proposal, including but limited to: (1) transfer of personnel and personnel rights; (2) restrictions on the use of discretionary revenue; (3) organization and governance; (4) proposed effective date of reorganization;
8. Completed SUBJECT AGENCY SUPPLEMENTAL INFORMATION FORM from each subject agency; and
9. List of agencies, groups, and individuals that were contacted regarding the proposal.

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

San Diego LAFCO Application for Expansion of Latent Powers in Association with Special District  
Dissolution

AA 0156

**APPLICATION FOR EXPANSION OF LATENT POWERS IN ASSOCIATION WITH  
SPECIAL DISTRICT DISSOLUTION**

Application is hereby jointly made to San Diego Local Agency Formation Commission (LAFCO) to:

1. Amend the sphere of influence for the JCFPD to a transitional (zero) designation.
2. Amend the sphere of influence for the fire and EMS latent powers area of CSA No. 135 to include the territory within the former JCFPD.
3. Dissolve JCFPD. (Note: JCFPD is responsible for adopting the resolution of application for this jurisdictional change).
4. Expansion of the fire and EMS latent powers area within CSA No. 135. (Note: The County of San Diego is responsible for adopting the resolution of application for this jurisdictional change).

As a part of this application for EXPANSION OF CSA No. 135's LATENT POWERS IN ASSOCIATION WITH DISSOLUTION OF THE JULIAN/CUYAMACA FIRE PROTECTION DISTRICT (JCFPD) as applicants, agree 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 of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs and expenses, including attorney fees.

The persons signing this application will be considered proponents for the proposed actions and will receive all related notices and other communications. I acknowledge that EXPANSION OF CSA NO. 135's LATENT POWERS IN ASSOCIATION WITH DISSOLUTION OF THE JCFPD may result in the imposition of existing taxes, fees, or assessments within the subject districts on the effective date of consolidation. Any rights to a hearing, assessment ballot proceeding, or an election on those existing taxes, fees and assessments under Articles XIII C and XIII D of the State Constitution (Proposition 218) are hereby waived.

- (1) Signature: *Jack D. Shewer* Date: 4/10/18  
Print/Type Name: Jack D Shewer  
Representing: JULIAN CUYAMACA FIRE PROTECTION DISTRICT  
Address: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_
- (2) Signature: *Rick Marinelli* Date: \_\_\_\_\_  
Print/Type Name: Rick Marinelli  
Representing: JCFPD  
Address: 3407 Hwy 79, Julian, Ca. 92031 Telephone: (661) 765-1516

APPLICATION FOR EXPANSION OF LATENT POWERS IN ASSOCIATION WITH  
SPECIAL DISTRICT DISSOLUTION

RECEIVED  
APR 11 2018  
SAN DIEGO LAFCO

*Please respond fully to the following requests for information; use additional sheets of paper as required. Respond with NA to items that do not apply.*

**GENERAL INFORMATION**

**1. Why is EXPANSION OF LATENT POWERS IN ASSOCIATION WITH SPECIAL DISTRICT DISSOLUTION proposed?**

- (1) To ensure continuity of fire protection and emergency medical service for the territory of the former JCFPD;
- (2) To ensure the long-term security of fire protection service to the communities within the territory of JCFPD; and
- (3) To eliminate duplication of management, administration, and oversight associated with the operation of multiple Special Districts providing the same service.

**2. Identify existing dispatch providers and discuss all changes in providers or amendments to existing communications agreements that would be required to accommodate the proposal.**

CAL FIRE San Diego dispatches JCFPD and CSA 135. There will be no change with the latent powers area expansion and district dissolution, and therefore no changes to communications agreements.

Monte Vista Interagency Communications Center  
2249 Jamacha Rd, El Cajon, CA 92109

**3. Describe any proposed changes to paramedic service, which would be required as a result of the proposal.**

Currently, Paramedic (ALS) Service is provided out of fourteen CSA 135 Career Stations. Within the next year, Paramedic Service will be added at Julian Station 56 (bringing the total ALS stations in CSA 135 to fifteen). This service will be in place by July 30, 2018. Thus, there will be an increase in the level of paramedic service resulting from the LAFCO process.

4. *How would the proposal affect exclusive operating areas (EOA) for the subject districts?*

There will be no change to the exclusive operating areas for the subject districts resulting from the LAFCO process. The Ambulance Contract between the County and JCFPD expires June 30, 2019. JCFPD may exercise an early termination or initiate a subcontract, whereby the County EMS/County Fire would contract with another service provider for the existing EOA until the Unified Service Area is put into place.

5. *Please identify current and proposed staffing:*

Currently, JCFPD Volunteer Firefighters staff the Julian Station as available. Within the next year, Paramedic Service is proposed for Julian Station 56. This service will be in place by July 30, 2018.

Safety	Julian / Cuyamaca FPD	CSA No. 135	Reorganized District (CSA No. 135)
Number of paid personnel:	0 Daily	75 Daily	80 Daily
Number of paid reserves:	0 Daily	3-15 Daily	3-17 Daily
Number of non-paid reserves:	0 Daily	0 to 10 daily	0 to 10 daily
<b>Non-Safety</b>			
Number of Admin / Support	1	N/A	1 (County)

6. *List specific position classifications for all additional personnel that would be hired as a result of consolidation or reorganization.*

No additional personnel will be hired as a result of the latent powers expansion and district dissolution. Admin personnel currently employed by JCFPD will be offered the opportunity of employment by the County, CAL FIRE, or a contract agency/service provider. Ambulance personnel currently employed by JCFPD will be offered employment by a contract agency/service provider.

San Diego County, through the CAL FIRE agreement, will add 6 personnel to staff the paramedic engine in Julian.

7. *Describe if there are any retirement liabilities that would result from the proposal and how liabilities would be addressed.*

There are no retirement liabilities resulting from the latent powers expansion and district dissolution.

8. *List services currently provided and services that the reorganized agency would provide:*

An overall Basic Life Support (BLS) level of service is currently provided by the volunteers staffing the stations within the district. Paramedic (ALS) Fire Service is San Diego LAFCO Application for Expansion of Latent Powers in Association with Special District Dissolution

4

proposed for Julian Station 56, should the reorganization occur. This added service will be in place by July 30, 2018. Fire prevention services are currently provided by the County and will continue after dissolution.

The ALS EMS Ambulance Contract between the County and JCFPD expires June 30, 2019. JCFPD may exercise an early termination or initiate a subcontract, whereby the County EMS/County Fire would contract with another service provider for the existing EOA until the Unified Service Area is put into place.

9. *Briefly discuss any **new** service that would be provided within the reorganized district.*

CSA 135 will add a first-response paramedic fire engine in Julian and a basic life support career-staffed fire engine in Cuyamaca.

10. *List existing automatic and mutual agreements and indicate which agreements may need to be amended to facilitate reorganization.*

County Service Area 135 surrounds the JCFPD. There will be no need for new or amended automatic or mutual aid agreements.

11. *Describe the governance structure of each district; include number of directors, whether elected or appointed, and terms of office. Discuss whether former FPD board members will have any formal advisory role after reorganization.*

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**JCFPD: Elected 5-member Board of Directors**

**CSA No. 135: Elected 5-member Board of Supervisors**

**CSA No. 135 (after reorganization): Elected 5-member Board of Supervisors**

A seven-member fire advisory board has been formed in accordance with County Board Policy A-74. The current Julian Board of Directors may become a sub-committee of the CSA 135 Fire Advisory Board.

12. *Discuss how the proposal will affect opportunities for furthering efficiencies, such as usage of joint powers agreements, joint powers authorities, regional planning opportunities, etc. List current shared activities with other service providers, including shared facilities and staff and the reorganized district is planning to provide. Discuss how the proposal will further these efforts.*

The proposal will provide opportunities for organizational efficiencies. The reorganization will combine administrative and operational resources from JCFPD and CSA 135. In addition, fleet services and equipment management will be consolidated through a logistical support unit.



13. District Population	See Table One
14. Registered Voters	See Table One
15. Acres / Square miles	See Table One
16. Most recent ISO rating	See Table One

**Table 1. District Information**

Question	JCFPD	CSA 135 Latent Powers Area
<b>13</b>	<b>Population<sup>1</sup></b>	<b>Population<sup>1</sup></b>
	3,562	38,248/1,039,060
<b>14</b>	<b># of Registered Voters</b>	<b># of Registered Voters</b>
	2,246	556,657
<b>15</b>	<b>Acres</b>	<b>Acres</b>
	52,160	1,500,000
<b>16</b>	<b>Most Recent ISO Rating</b>	<b>Most Recent ISO Rating</b>
	5/9	3/3X
<b>17</b>	<b>Anticipated ISO Rating</b>	<b>Anticipated ISO Rating</b>
	3/3X	3/3X
<b>18a</b>	<b>Predominant Land Use</b>	<b>Predominant Land Use</b>
	Rural	Rural
	Semi-Rural Residential	Outlying
	Public Agency Lands	Semi-Rural
<b>18b</b>	<b>Existing General Plan Designation</b>	<b>Existing General Plan Designations</b>
	Rural Lands	Rural Lands
	Semi-Rural Residential	Semi-Rural Residential
	Public Agency Lands	Public Agency Lands
	Open Space	Open Space
	General Commercial	General Commercial

17. Briefly discuss the anticipated ISO rating for the reorganized agency and the ISO process for reevaluating the consolidated service area.

ISO ratings help establish appropriate fire insurance premiums for residential and commercial properties. ISO assigns classifications ranging from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria.

See Table One – It is anticipated that the ISO rating will improve from a 5/9 to a 3/X.

18. Describe prevalent land uses in each district; list predominant General Plan designations:

See Table One.

19. Briefly discuss all development or change in land-use that the proposal would allow.

There is no change in development or land-use proposed that would occur as a result of the reorganization.

20. What sphere of influence is proposed for the reorganized agency?

The Structural Fire / EMS Sphere of Influence will generally be coterminous with the boundary of the CSA 135 latent powers area. Because CSA 135 surrounds the district, no changes to the current Sphere of Influence of the dissolved district boundaries are anticipated as a result of the reorganization.

21. Discuss the ability of the reorganized district to provide services to all territory within the district's sphere of influence. Include a discussion of the cost to extend services.

CAL FIRE MVU dispatches JCFPD, and the latent powers area of CSA 135. There will be no change with the reorganized district. CAL FIRE uses the closest resource concept for dispatch which would extend to any areas within the sphere of influence. There will be no additional cost to extend services to these areas beyond the addition of the ALS Engine currently proposed.

22. Briefly explain how each districts' operations have been financed; list major revenue sources and identify the percent of operational funding which each source represents.

JCFPD: Property tax 50%, Voter-Approved Assessments (50%);

CSA No. 135: Property tax (50%), General Purpose Revenue (50%);

SDCFA: General Purpose Revenue (90%), Grants (10%).

23. List special taxes approved by voters within each district. If the reorganized agency will continue to levy voter-approved taxes, explain restrictions and processes concerning collection and expenditure of special tax revenue.

There are currently two voter approved special tax assessments collected by the district.

County Fund	Description	Parcels	FY 16/17 Total Assessment
3115-01	Julian-Cuyamaca Fire Protection District Special Tax	4,560	\$118,190
3115-40	Julian-Cuyamaca Structural Fire Protection	1,931	\$ 99,955

Fund 3115-01 is used to fund the debt service on the new Fire Station. The County will pay this fire station debt and the fund will be discontinued. Fund 3115-40 is used to pay for structural fire protection and will continue after dissolution.

The special tax levies collected will be used to serve the residents within the geographic areas from which they are collected. Discrete funds will be created for each tax to allow differentiation and use of the taxes to provide services to the residents within the respective voter approved assessment areas.

24. Briefly describe if new equipment or equipment upgrades that would be required to implement proposal. Provide cost estimates and explain how capital funds will be available for purchase.

No new equipment would be needed as a result of the latent powers expansion and district dissolution.

## SUPPLEMENTAL FISCAL AND GENERAL INFORMATION

For the questions in this section, please submit answers on additional pages, indicate who provided the information, and attach the pages to this form.

1. *Per requirements in Government Code Section 56653, submit with this application a plan for providing services within the affected territory. At a minimum the plan for services must include: (1) An enumeration and description of the services to be provided; (2) The level and range of services to be provided; (3) An indication of when services can be feasibly extended to the reorganization territory; (4) An indication of any improvements or upgrades of facilities that the reorganized agency will make or require; and (5) Information with respect to how services will be financed.*

A plan for service is included in Attachment A.

2. *Provide a copy of each district's: adopted budgets and staffing schedules for the current and previous fiscal-year and the most recent audits, Capital Improvement Programs, Master Service Plans, and a copy of a five-year proposed budget and staffing schedule for the consolidated/reorganized agency detailing expenditures, anticipated revenues, and reserves.*
3. *Explain how operations for each district have been financed and include a narrative summary of all sources of revenues and expenditures. Cite the fiscal year for the data and indicate how the sources of revenue and associated expenditures will change with consolidation/reorganization. If new opportunities for additional revenue will result from the proposal (e.g., joint agency grant applications, etc.) please elaborate. See response to Application for Special District Dissolution #22.*
4. *Describe any voter-approved charges or taxes that each district currently levies, and indicate if the successor district would continue to levy them after this change of organization. See response to Application for Special District Dissolution #23.*
5. *Discuss the opportunities for improved service delivery associated with proposed changes in government organization through merging staff, staff reduction/attrition, phasing out of positions, etc. See response to Application for Special District Dissolution #12.*
6. *What will be the major source(s) of funding for the successor district?*

The Board of Supervisors provides General Purpose Revenue to fund the Fire Authority. In addition, a small portion of the fire and emergency medical services are funded through property taxes.

7. *Indicate if the successor district plans to establish improvement districts as a mechanism to continue the collection of fees and taxes in each former district's territory. If the proposed improvement district has different boundaries than the former district, provide a map and legal description. If improvement districts or tax zones are proposed to be formed, explain the rationale used to determine the boundaries and associated benefit fees, taxes, or assessments.*

There are no plans to establish new improvement districts as a result of the proposed consolidation/ reorganization. Within Julian/Cuyamaca Fire Protection District (JCYPD), there are two voter-approved fixed charge special assessments/ tax levies.

The special tax levies collected will be used to serve the residents within the geographic areas from which they are collected. Discrete funds will be created for each tax to allow differentiation and use of the taxes only within the respective voter approved assessment areas. The existing boundaries will remain the same and there are no sunset provisions for these taxes.

8. *If the successor district proposes to levy additional fees or taxes as a result of this proposal, indicate how those costs will be levied, and what the cost will be for each resident/service user.*

There are no new fees or taxes as a result of the proposed consolidation/ reorganization.

9. *Discuss any opportunities for cost-savings or cost-avoidance. Include in the response any proposed actions to decrease or charges/fees; whether employee salaries and benefits will be increased or decreased; effects on equipment purchases, facility planning, shared facility usage, insurance costs, overall service costs, etc. Note that any associated cost-savings/increases needs to be reflected in the proposed budgets submitted with the LAFCO application.*

The proposal will provide opportunities for organizational efficiencies. The reorganization will combine administrative and operational resources from JCYPD and CSA 135. In addition, fleet services and equipment management will be consolidated through a logistical support unit.

10. *Discuss any prohibitions that would affect the proposed consolidation/reorganization, including prohibitions in the Principal Acts, pending litigation, court judgments, restricted assets, or other legal and financial issues/constraints.*

There are no known prohibitions that would impact the proposed consolidation/ reorganization.

11. *List any terms and conditions that are requested for this proposal. See Attachment B.*

12. *List all agencies, groups and individuals contacted regarding this proposal.*

San Diego LAFCO Application for Expansion of Latent Powers in Association with Special District Dissolution

10

13. Are there any jurisdictional issues/conflicts associated with the proposal?

☐ YES ☒ NO (If yes, please complete the LAFCO Policy L-107 form)

14. Identify and discuss performance objectives associated with the reorganized district. Include in the discussion the performance measures that would be used to ensure that no service decrease would be experienced related to the following categories: station staffing; actual response times; automatic/mutual aid provided and received; assets that will be transferred; liabilities that will be assumed; planned and needed capital projects.

San Diego County Fire has adopted response time goals for fire and emergency medical services that utilize four regional categories identified by land use designation and population density: Urban, Rural, Outlying, and some hard to serve or extreme outlying areas defined as Desert. These regional categories are consistent with the San Diego County General Plan for Safety definition for travel time standards for fire protection services. These same standards will be applied to the area currently served by JCFPD, with the expectation that the Department meet these performance standards on 80% of all code 3 emergency incidents. The adopted standards are defined below.

- ❖ **Call Processing Time:** The San Diego County Fire and EMS Dispatch Center has established a call processing time standard of 1 minute 20 seconds (01:20). This time standard begins at the time the call is received at the Secondary Public Safety Answer Point (PSAP) and includes the call taking, call processing, and queue time. This time standard ends when the incident is ready to be dispatched.
- ❖ **Station Alerting and Turn Out Time:** San Diego County Fire has established a station alerting and turn out time standard of 1 minute and 40 seconds (01:40) for all code 3 incidents. This time standard begins at the time of dispatch and includes station alerting, fire station acknowledgment, and personnel preparation for response. This time standard ends when the personnel and apparatus are responding.
- ❖ **Travel Time:** San Diego County Fire has established a travel time standard for all code 3 incidents dependent on the regional category. For Urban area incidents, the standard is 5 minutes (05:00), Rural area incidents is 10 minutes (10:00), Outlying area incidents is 20 minutes (20:00), and Desert area incidents is 45 minutes (45:00). This time standard begins when the personnel and apparatus are responding and includes the travel time to the scene of the emergency incident. This time standard ends when the unit arrives on scene at the emergency.
- ❖ **Total Response Time:** Total Response Time is the sum of each of the above parts.

FIRE DEPARTMENT FIRST DUE RESPONSE STANDARD				
RESPONSE CATEGORY	CALL PROCESSING TIME	STATION ALERTING AND TURNS OUT TIME	TRAVEL TIME	TOTAL RESPONSE TIME
URBAN	1:20	1:40	5:00	08:00
RURAL	1:20	1:40	10:00	13:00
OUTLYING	1:20	1:40	20:00	23:00
DESERT	1:20	1:40	45:00	48:00

To meet the established response time goals and provide the highest level of service, San Diego County Fire utilizes an Integrated Cooperative Regional Fire Protection System. A key element of this system is having resources allocated in such a way that they are capable of arriving on scene, ready to mitigate an emergency within established performance standards. To achieve this San Diego County Fire always dispatches the closest available resource, regardless of jurisdiction or boundaries, to an emergency incident. The closest available resource is determined through the use of an Automatic Vehicle Locator (AVL) and is supported through Mutual and Automatic Aid agreements with surrounding agencies.

It is important to note that the existing JCFPD service area is almost exclusively bordered by County Fire service area; County Fire staffs two 24/7 ALS engines capable of reaching the JCFPD service area within 10 minutes and three 24/7 ALS engines capable of reaching the JCFPD service area within 20 minutes. Additionally, through its partnership with the State of California, County Fire makes use of three BLS engines within the JCFPD service area and two BLS engines capable of reaching the JCFPD service area within 20 minutes. In total, there are twelve fire stations within 30 minutes of the JCFPD service area capable of offering support on a major emergency incident or to ensure that "move up and cover" service area coverage is available during an extended incident. Julian has been identified by San Diego County Fire as a must cover station. This means that when the primary engine is predicted to be committed to an incident for 30 minutes or longer, a second engine is "moved up" from a surrounding community to provide service area coverage and respond to the next emergency incident. During major incidents, all engines within the Cooperative Regional Fire Protection System are strategically located to provide the greatest level of service possible.

The County/ latent powers area of CSA 135 shall be the successor to all assets, liabilities and service responsibilities of the dissolved districts, including land, equipment, vehicles, contractual rights and obligations, materials, supplies and all monies, including cash on hand, monies due but not collected, and other obligations.



# County of San Diego

**MICHAEL VU**  
Registrar of Voters

## REGISTRAR OF VOTERS

County Operations Center Campus  
5600 Overland Avenue, Suite 100, San Diego, California 92123-1278

**CYNTHIA L. PAES**  
Assistant Registrar of Voters

Telephone: (858) 565-5800 Toll-free: 1 (800) 696-0136 TTY / TDD: (800) 735-2929  
Facsimile: (858) 505-7294 Web Address: [www.sdvote.com](http://www.sdvote.com)

June 26, 2018

TO: Board of Directors of the Julian-Cuyamaca Fire Protection District  
c/o Marcia Spahr, District Secretary

FROM: L. Michael Vu  
Registrar of Voters

### Re: Julian/Cuyamaca Fire Protection District - A Referendum Against Resolution 2018-03

The "A Referendum Against Resolution 2018-03 Passed by the Julian-Cuyamaca Fire Protection District" petition was filed with the Registrar of Voters on May 14, 2018. The Registrar of Voters verified 313 signatures out of 313 submitted. **A total of 134 valid signatures is required to qualify. As a result of our verification of the signers, this petition does have a sufficient number of valid signatures to qualify.** Results of the verification process are as follows:

#### CERTIFICATION OF RESULTS:

- Number of sections submitted ..... 18
- Number of signatures submitted.....313
- Number of signatures verified .....313
- Number of signatures found to be valid .....255
- Number of signatures found not to be valid (includes 0 duplicates) ..... 58
- Number of signatures required for qualification .....134

If you have questions, please contact me at (858) 505-7201 or Javier De Anda at (858) 505-7357.

- c: Supervisor Kristin Gaspar, Chair  
Supervisor Dianne Jacob, Vice Chair  
Supervisor Greg Cox  
Supervisor Ron Roberts  
Supervisor Bill Horn  
Helen N. Robbins-Meyer, Chief Administrative Officer  
Donald F. Steuer, Assistant Chief Administrative Officer/Chief Operating Officer  
Thomas E. Montgomery, County Counsel  
April Heinze, P.E., Deputy Chief Administrative Officer, Community Services Group  
Ron Lane, Deputy Chief Administrative Officer, Public Safety Group  
David Hall, Clerk of the Board of Supervisors  
Herman P. Reddick, Director, San Diego County Fire Authority



**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 3

790 E. Colorado Boulevard, Suite 850  
Pasadena, CA 91101-2109  
Voice (213) 542-5700  
Fax (213) 542-5710

COLANTUONO  
HIGHSMITH  
WHATLEY, PC

Holly O. Whatley  
(213) 542-5704  
HWhatley@chwlaw.us

Our File No. 49021.0001

February 22, 2019

**VIA ELECTRONIC MAIL**

Morgan L. Foley  
General Counsel  
Julian-Cuyumaca Fire Protection District  
La Mesa Village Plaza  
8100 La Mesa Boulevard, Suite 200  
La Mesa, California 91942

Re: District's Violation of LAFCO Resolution RO18-09

Dear Mr. Foley:

As you know, we serve as General Counsel for San Diego Local Agency Formation Commission ("Commission"). It has come to our attention that the Julian Cuyumaca Fire Protection District ("District") intends to pay approximately \$120,000 in attorneys' fees as a condition to settling three pending lawsuits. Such an action exposes the District to significant liability and threatens the District's budgeted funds in direct violation of the conditions placed on the District in the Commission's Resolution RO18-09 and by Government Code section 56885.5.

The District is currently litigating three lawsuits:

- *Julian Volunteer Fire Company Association v. Julian Cuyumaca Fire Protection District* (San Diego County Superior Court Case No. 37-2018-00020015);
- *Crouch v. Julian-Cuyumaca Fire Protection District* (San Diego County Superior Court Case No. 37-2018-00034179); and
- *Southcott, et al. v. Julian-Cuyumaca Fire Protection District, et al.* (Fourth District Court of Appeal Case No. D074324) ("*Southcott*").

The Board's agenda for the Special Board Meeting scheduled for February 25, 2019, has agendaized the matters for Closed Session. We are informed that the District has been in negotiations with attorney Craig A. Sherman, counsel for petitioners/plaintiffs in all

three cases, and have reached a proposed settlement. We understand that a condition of settlement is to pay Mr. Sherman approximately \$120,000 in attorneys' fees. But the District is prohibited from approving such a payment under Government Code section 56885.5 and Resolution RO18-09.

Government Code section 56885.5, subdivision (a), states, "In any commission order giving approval to any change of organization or reorganization, the commission may make that approval conditional upon any of the following factors[.]" One such factor is "[A] condition that prohibits a district that is being dissolved or a city that is being disincorporated from taking the following actions ... (B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the commission approves the dissolution or disincorporation. (Gov. Code, § 56885.5, subd. (a)(4).)

The Commission approved Resolution RO18-09 on September 10, 2018, approving the joint-reorganization proposed by the County and the District and the dissolution of the District. Resolution RO18-09 lists a number of conditions of approval, including section 7(a)(iii)(2), which states:

Upon the Commission's order giving approval to the joint-reorganization, Julian-Cuyumaca FPD is prohibited from taking any of the actions contained in Government Code section 56885.5, including:

...

2. Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

Government Code section 56885.5 and Resolution RO18-09 are intended to safeguard the District's funds between September 10, 2018 (Resolution RO18-09's date of adoption) and the certification of the election scheduled for March 19, 2019. These safeguards are in place for the benefit of the District's successor, San Diego County, to ensure the County is only liable for the obligations reflected in the District's budget at the time the Commission approved the dissolution.

The District's budget does not include a line item for a \$120,000 legal settlement. In fact, the District has only budgeted \$20,000 for "Legal/Audit/Financial" expenses, which it

February 22, 2019

Page 3

has exceeded by twice as much. Approving the payment of \$120,000 would result in a deficit of nearly \$90,000 and negatively impact the provision of fire protection services.

Any proposed settlement that includes committing funds beyond those already budgeted violates both the letter and spirit of the restrictions placed on the District pending the election. It also jeopardizes the budget in place when the Commission approved the District's application to dissolve. Any agreement to pay such funds is unlawful and unenforceable. The Commission is committed to ensuring compliance with the conditions in Resolution RO18-09 and the mandates of Government Code section 56885.5. The Commission will not hesitate to file a petition for writ of mandate and complaint for injunctive relief if the District Board approves the proposed payment.

Very truly yours,

  
Holly O. Whatley

HOW:arg

cc: Mike Menghini, Board President  
Craig Sherman, Esq.  
Keene Simonds, Executive Officer, San Diego LAFCO

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 4



TELEPHONE  
(619) 702-7892

FACSIMILE  
(619) 702-9291

February 27, 2019

Presiding Justice  
Hon. Patricia Benke  
Fourth Appellate District  
Division One  
750 B Street, Suite 300  
San Diego, CA 92101

Re: Appellants' Status Report re Settlement  
*Southcott, et al. v. Julian-Cuyamaca Fire Protection District et al.*  
Case No. D074324

To the Acting Presiding and Associate Justices of the Court of Appeal:

## I. Introduction

This Status Report responds to this Court's request, made at oral argument on February 13, 2019, that Appellants<sup>1</sup> file this Status Report regarding the pending settlement discussions and dispositions between the parties that may obviate the necessity of deciding this appeal.

## II. Short Answer

Appellants and Respondents have been unable to complete a settlement agreement, although the parties have generally reached settlement terms. Appellants believe it will take the parties two to ten weeks to continue their efforts to see if the parties' lawsuits and this appeal can be fully resolved.

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<sup>1</sup> Appellants are Dave Southcott, Brian Crouch, Mike Hatch, Eva Hatch, and Julian Volunteer Fire Company Association

Page Two  
February 27, 2019  
Case No. D074324

### III. Statement of Facts

At oral argument on February 13, 2018, counsel for Appellants first appraised this Court that respondent Julian-Cuyamaca Fire Protection District (“District”) had considered and tentatively accepted, the day prior at its board meeting on February 12, 2019, Appellants’ settlement offer for a global resolution of all litigation<sup>2</sup> with Appellants (“the Settlement”). To effectuate the Settlement, multiple court filings are required.

On February 25, 2019, due to noticing irregularities, the District again considered and approved Appellants’ the Settlement proposal. Finalizing settlement of multiple cases requires a number of court filings and cooperation of the District, but is currently being delayed, and will likely take many weeks to finalize.

Upon inquiry of Appellants’ counsel, real party in interest LAFCO indicated that it wants this appeal decided.

Appellants, and their community-wide interests, also want this appeal decided because they steadfastly desire to exercise the right of a referendum vote as provided for under the State Constitution. However, Appellants are nonetheless willing to settle and dismiss the appeal and underlying lawsuits if the Settlement can be finalized.

The Appellants and Respondents are trying to effectuate a conditional agreement whereby multiple court orders and dismissals are required to make it valid. Relevant here, this appeal will only be dismissed (a request for dismissal via application or motion) within 5 days after entry of a requested order in Case No. 37-

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<sup>2</sup> The Settlement is intended to encompass two other lawsuits (alleging Brown Act violations by Respondents), filed by Appellants in San Diego Superior Court, Case Nos. 37-2018-00020015, and 37-2018-00034179.

Page Three  
February 27, 2019  
Case No. D074324

2018-00020015, with parties recognizing and accepting that this Court may decline to dismiss the instant appeal (Referendum Lawsuit), and if so, the parties agree to be bound by this Court's decision on appeal and otherwise settle the other Brown Act cases included in the Settlement.

IV. Recommendation and Request of Appellants

Appellants request that, if this Court is inclined to decide the appeal, the decision is expedited in order that certainty of whether a referendum vote must be scheduled is known by all parties to this appeal and case. This appears to be most prudent in light of the fact that it may take two to ten weeks to (possibly) finalize a global settlement agreement, and real party LAFCO has indicated to Appellants' counsel that LAFCO wants the appeal to be decided.

Respectfully submitted,



Craig A. Sherman  
Attorney for Appellants  
Dave Southcott et al.

cc: all counsel (via TrueFilings)



<b>STATE OF CALIFORNIA</b> California Court of Appeal, Fourth Appellate District Division 1	<b>PROOF OF SERVICE</b>  <b>STATE OF CALIFORNIA</b> California Court of Appeal, Fourth Appellate District Division 1
Case Name: <b>Southcott et al. v. Julian-Cuyamaca Fire Protection District et al.</b>	
Case Number: <b>D074324</b>	
Lower Court Case Number: <b>37-2018-0023393-CU-WM-CTL</b>	

1. At the time of service I was at least 18 years of age and not a party to this legal action.

2. My email address used to e-serve: **craigshermanapc@gmail.com**

3. I served by email a copy of the following document(s) indicated below:

Title(s) of papers e-served:

Filing Type	Document Title
MISCELLANEOUS - ADDITIONAL DOCUMENTS	Status Report of Appellant

Service Recipients:

Person Served	Email Address	Type	Date / Time
Craig Sherman Craig A. Sherman, APC 171224	craigshermanapc@gmail.com	e-Service	2/27/2019 12:12:18 PM
Gena Burns McDougal Love Eckis Boehmer & Foley 273777	gburns@mcdougallove.com	e-Service	2/27/2019 12:12:18 PM
Holly Whatley Colantuono, Highsmith & Whatley, PC 160259	hwhatley@chwlaw.us	e-Service	2/27/2019 12:12:18 PM
Timothy Barry Office of County Counsel 00089019	timothy.barry@sdcounty.ca.gov	e-Service	2/27/2019 12:12:18 PM

This proof of service was automatically created, submitted and signed on my behalf through my agreements with TrueFiling and its contents are true to the best of my information, knowledge, and belief.

I declare under penalty of perjury under the laws of the State of California that the

foregoing is true and correct.

2/27/2019

Date

/s/Craig Sherman

Signature

Sherman, Craig (171224)

Last Name, First Name (PNum)

Craig A. Sherman, APC

Law Firm

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 5



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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## SPECIAL MEETING AGENDA

### SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

**MONDAY, APRIL 8, 2019, 9:00 A.M.**

COUNTY ADMINISTRATION CENTER | ROOM 302  
1600 PACIFIC HIGHWAY  
SAN DIEGO, CALIFORNIA

**9:00 A.M. – CALL TO ORDER BY CHAIR | ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**INTRODUCTION OF NEW COMMISSIONER**

Mayor Serge Dedina, City of Imperial Beach

**AGENDA REVIEW**

The Chair will consider requests to remove or rearrange items on the agenda.

**PUBLIC COMMENT**

Opportunity for members of the public to speak to the Commission on any subject matter within the Commission's jurisdiction, but not an item on today's agenda. Each speaker's presentation may not exceed 3 minutes. (Please note for items on today's agenda, speakers should fill out a speaker slip and address the Commission when the agenda item is discussed, and their name is called.)

**CONSENT ITEMS**

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

**1. Approval of Meeting Minutes | March 4, 2019 (action)**

The Commission will consider approving summary minutes prepared by LAFCO staff for the March 4, 2019 regular meeting. It is recommended the Commission approve the minutes as presented with any desired changes.

**2. Commission Ratification | Recorded Payments for February 2019 (action)**

The Commission will consider ratifying payments received and made for the month of February 2019. These payments cover all recorded transactions for the period and include \$155,422 in total distributions made by the Executive Officer. The payments are being presented to the Commission for formal ratification.

**CONSENT ITEMS CONTINUED...**

**3. Proposed “Eolus Avenue–Ryan Diaz Change of Organization” |  
Annexation to the Leucadia Wastewater District [DA18-18] (action)**

The Commission will consider a change of organization proposal filed by the Leucadia Wastewater District to annex approximately 0.69 acres of incorporated territory within its sphere of influence. The affected territory is developed with a single-family residence and lies entirely within the City of Encinitas. The proposal purpose is extend public wastewater service to the affected territory in step with satisfying a permit condition for the landowner to subdivide the subject parcel into two lots and develop a second single-family residence. Staff recommends approval with a modification to include 0.06 acres of adjacent public right-of-way. The County Assessor identifies the subject parcel as 254-391-10.

**4. Protest Results for the “Alpine Islands Reorganization” |  
Annexation to Alpine Fire Protection District and Concurrent Service Divestiture from County  
Service Area No. 135 [RO16-15 et al.] (information)**

The Commission will receive the results of the protest hearing conducted for the “Alpine Islands Reorganization.” The noticed hearing was held by the Executive Officer on March 13<sup>th</sup> and did not produce any written objections from landowners or registered voters. The Commission’s approval to transfer fire protection and emergency medical service responsibilities for the affected territory from the County of San Diego and its Fire Authority to the Alpine Fire Protection District will be ordered once all terms are satisfied.

**5. Protest Results for the “County Service Area No. 135 Islands Reorganization” |  
Concurrent Latent Power Area Expansion for County Service Area No. 135 and Annexations to  
Fire Protection Districts [RO16-20 et al.] (information)**

The Commission will receive the results of the protest hearing conducted for the “County Service Area No. 135 Islands Reorganization.” The noticed hearing was held by the Executive Officer on March 13<sup>th</sup> and did not produce any written objections from landowners or registered voters. The Commission’s approval to establish formal fire protection and emergency medical service responsibilities within the affected territory and divided among five local agencies will be ordered once all terms are satisfied.

**6. Progress Report on 2018-2019 Workplan (action)**

The Commission will receive a progress report on accomplishing specific projects established as part of the adopted workplan for 2018-2019. This includes noting through the first nine months of the fiscal year 80% of all high and moderate priority projects are underway with several either already completed or near completion. It is recommended the Commission formally receive and file the report and provide direction to staff as needed.

**7. Current Proposals and Related Activities (information)**

The Commission will receive an update on active proposals and other related matters pending before LAFCO. This includes noting one new filing has been made with LAFCO since the March 4th meeting. The item is for information only and concurrently satisfies LAFCO’s reporting requirement for special district annexation proposals submitted by petition of registered voters or landowners. The notification starts a 60-day period for affected special districts to request termination of proceedings by resolution due to financial or service related concerns.

## CONSENT ITEMS CONTINUED...

### 8. Updated Roster for the Special Districts Advisory Committee (information)

The Commission will receive an updated roster for the Special Districts Advisory Committee. This includes recent appointees Sheryl Landrum with the Resource Conservation District of Greater San Diego County and Larry Converse with Ramona Municipal Water District. Information only.

## PUBLIC HEARING ITEMS

Public hearing items require expanded public notification per provisions in State law or voluntarily placed by the Executive Officer to facilitate broader discussion.

### 9. Adoption of Final Workplan and Budget for 2019-2020 (action)

The Commission will consider recommendations from the Executive Officer in adopting a final workplan and budget for 2019-2020. Both items return following their adoption in draft-form in February and subsequent public review. The final workplan is identical to the draft and outlines over two dozen specific project goals. The final budget draws on the workplan and is nearly identical to the draft with the exception of adding \$3,000 in expenses to accommodate an increase in membership dues and contributes to an updated budget expense of \$1,916,300; the latter representing an overall increase of \$9,607 or 0.5%. A matching amount of revenues is also budgeted with agency contributions increasing by 2.3% in step with reducing the amount of reserves used as offsetting revenues.

### 10. Proposed “Wyman Service Agreement” and Sphere of Influence Amendment | Outside Wastewater Service Extension by the City of La Mesa [SA/OAS18-07] (action)

The Commission will consider a request to authorize the City of La Mesa to enter into a contract with a landowner to provide outside wastewater service to 0.73 acres of unincorporated territory in Valle De Oro. The affected territory is developed with a single-family residence utilizing an underground septic disposal system. The purpose of the request is to facilitate the development of an accessory structure that would otherwise be prohibited given impacts to the septic system. A concurrent amendment to add the affected territory to La Mesa’s sphere of influence is required to facilitate the outside service extension in lieu of making a public health or safety finding. Staff recommends approval of the request as an alternative to annexation with a concurrent sphere amendment. Standard terms are also recommended.

## BUSINESS ITEMS

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

### 11. Results of Special Election and Next Steps | Julian-Cuyamaca Fire Protection District Reorganization [RO18-09 et al.] (action)

The Commission will receive the results of a special election concluded on March 19, 2019 for voters to confirm the earlier approval of the “Julian-Cuyamaca Fire Protection District Reorganization.” Results are expected to be certified on April 4<sup>th</sup>. Should voters approve the reorganization it will be ordered with discretion on the part of LAFCO in setting an effective date so long as it is within nine months of the election and all remaining terms are satisfied. Should voters disapprove the reorganization it will be terminated. Staff recommends the Commission formally receive and file the certified election results as well as provide direction and/or take associated actions.

## **BUSINESS ITEMS CONTINUED...**

### **12. Draft Municipal Service Review on the Julian Region (Discussion)**

The Commission will review a draft municipal service review on the Julian region. The draft has been prepared consistent with the adopted workplan and represents an independent assessment of the availability, need, and performance of public services in the Julian region and specific to the six local agencies under Commission oversight. The draft is being presented for discussion and feedback in step with staff initiating a public comment period in anticipation of returning in final form in June with accompanying sphere of influence updates.

## **CLOSED SESSION**

Closed session items are calendared by Commission Counsel.

### **13. Conference with Legal Counsel – Existing Litigation:**

Pursuant to Government Code Section 54956.9(d)(1)): Southcott et al. v. Julian-Cuyamaca Fire Protection District, et al., San Diego Superior Court Case No. 37-2018-0023393-CU-WM-CTL; Fourth District Court of Appeal Case No. D074324

### **14. Conference with Legal Counsel – Initiation of Litigation:**

Pursuant to Government Code Section 54956.9(d)(4)): Two potential cases

## **EXECUTIVE OFFICER REPORT**

## **COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS**

## **ADJOURNMENT TO NEXT MEETING**

May 6, 2019

Attest to Posting



Tamaron Lockett  
Executive Assistant

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



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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1

## AGENDA REPORT Consent | Action

April 8, 2019

**TO:** Commissioners

**FROM:** Tamaron Lockett, Executive Assistant

**SUBJECT:** Approval of Meeting Minutes | Monday, March 4, 2019

---

### SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive minutes prepared for the last regular meeting held on Monday, March 4, 2019. The minutes are in draft-form and being presented for formal approval with any desired corrections or clarifications as requested by the Commission.

### BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and established standards for the public to attend and participate in meetings of local government bodies. The “Brown Act” requires – and among other items – public agencies to maintain written minutes for qualifying meetings.

### DISCUSSION

This item is for San Diego LAFCO to consider approving summary minutes for the March 4, 2019 regular meeting. The attendance record for the meeting follows.

- All members were present on March 4<sup>th</sup> with the exception of Bill Wells, Chris Cate (alternate), Greg Cox (alternate), and Serge Dedina (alternate).

**Administration**  
Keene Simonds, Executive Officer  
County Operations Center  
9335 Hazard Way, Suite 200  
San Diego, California 92123  
T 858.614.7755 F 858.614.7766  
www.sdlafco.org

**Jim Desmond**  
County of San Diego

**Dianne Jacob**  
County of San Diego

**Greg Cox, Alternate**  
County of San Diego

**Catherine Blakespear**  
City of Encinitas

**Bill Wells**  
City of El Cajon

**Serge Dedina, Alternate**  
City of Imperial Beach

**Mark Kersey**  
City of San Diego

**Chris Cate, Alternate**  
City of San Diego

**Chair Jo MacKenzie**  
Visita Irrigation

**Vice Chair Ed Sprague**  
Olivenhain Municipal Water

**Judy Hanson, Alternate**  
Leucadia Wastewater

**Andy Vanderlaan**  
General Public

**Harry Mathis, Alternate**  
General Public



## ANALYSIS

The attached summary minutes for the March 4, 2019 regular meeting accurately reflect San Diego LAFCO's actions as recorded by staff. An audio recording of the meeting has also been posted on the Commission's website.

## RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the March 4, 2019 regular meeting as presented. This recommendation is consistent with Alternative One in the proceeding section.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Approve the draft minutes prepared for the March 4, 2019 regular meeting with any desired corrections or clarifications.

Alternative Two:

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

## PROCEDURES

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

Respectfully,

A handwritten signature in blue ink, appearing to read "Tamaron Luckett".

Tamaron Luckett  
Executive Assistant

Attachment:

- 1) Draft Meeting Minutes for March 4, 2019

**DRAFT MINUTES**  
**SAN DIEGO LAFCO**  
**March 4, 2019 REGULAR MEETING**

**CALL TO ORDER**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chair MacKenzie.

**ROLL CALL**

The Commission Clerk performed the roll call for the March 4, 2019 meeting. Roll was recorded as follows:

Regulars Present: Catherine Blakespear, City of Encinitas  
Jim Desmond, County of San Diego  
Dianne Jacob, County of San Diego  
Mark Kersey, City of San Diego  
Jo MacKenzie, Vista Irrigation District (CHAIR)  
Ed Sprague, Olivenhain Municipal Water District (VICE CHAIR)  
Andy Vanderlaan, Public

Alternates Present: Judy Hanson, Leucadia Wastewater District  
Harry Mathis, Public

Members Absent: Chris Cate, City of San Diego – Alternate  
Greg Cox, County of San Diego – Alternate  
Serge Dedina, City of Imperial Beach – Alternate  
Bill Wells, City of El Cajon – Regular

The following staff members were also present at the dais during roll call: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Chief Policy Analyst Robert Barry; Local Government Analyst I Linda Zambito; Local Government Analyst I Alex Vidal; and Executive Assistant Tamaron Lockett.

**PLEDGE OF ALLEGIANCE**

Commissioner Jacob led the Commission in the Pledge of Allegiance.

**AGENDA REVIEW**

Chair MacKenzie asked the Executive Officer if there were requests to remove or rearrange items on the agenda. Executive Officer noted no agenda revisions were needed. Chair MacKenzie announced the Commission would proceed with the agenda as presented.

## **PUBLIC COMMENT**

Chair MacKenzie asked the public seated in the audience if anyone would like to address the Commission on an item that is not related to the agenda.

The following speaker addressed the Commission:

- North County Fire Protection District Fire Chief Stephen Abbott addressed the Commission regarding ACA-1 (Assembly Constitutional Amendment).

Seeing no others approach the dais Chair MacKenzie ended the public comment period.

## **CONSENT ITEMS**

### **Item 1**

#### **Approval of Meeting Minutes | February 4, 2019**

Item presented on the consent calendar for action. Item involves draft minutes prepared for the Commission's February 4, 2019 meeting. Recommendation to approve.

### **Item 2**

#### **Commission Ratification | Recorded Payments for January 2019**

Item presented on the consent calendar for action. Item involves ratification of recorded financial payments received and distributed for January 1<sup>st</sup> through January 31<sup>st</sup>. Payments totaled \$139,805. Recommendation to approve.

### **Item 3**

#### **Proposed Nordahl Road-Diaz Change of Organization | Annexation to the Vallecitos Water District**

Item presented on the consent calendar for action. Item involves a proposal by Vallecitos Water District requesting the annexation of 3.80-acres of unincorporated territory consisting of a single parcel within its sphere of influence. Proposal purpose is to facilitate the development of a 15-lot single-family residential subdivision. Recommendation to approve with modification to add 0.62 acres of adjacent public right-of-way as well as apply standard terms. The subject parcel is identified by the County Assessor as 226-290-01.

### **Item 4**

#### **Proposed Menchaca-St. Paul Drive Change of Organization | Annexation to the Vallecitos Water District**

Item presented on the consent calendar for action. Item involves a proposal by the Vallecitos Water District requesting the annexation of 1.59-acres of unincorporated territory consisting of a single parcel within its sphere of influence. Proposal purpose is to facilitate the removal of an aging septic system and extension of public wastewater therein to support an existing single-family residence. Recommendation to approve with modification to add 0.02 acres of adjacent public right-of-way as well as apply standard terms. The subject parcel is identified by the County Assessor as 228-130-31.

## CONSENT ITEMS CONTINUED...

### Item 5

#### **Progress Report on 2018-2019 Workplan**

Item presented on the consent calendar for action. Item involves an update on the specific projects established as part of the adopted workplan for 2018-2019 with a recommendation for the Commission to receive and file.

### Item 6

#### **Annual Report |**

#### **Sphere of Influence and Municipal Service Review Summary of Actions**

Item presented on the consent calendar for action. Item involves an update on the sphere of influence and municipal service review actions in San Diego County through 2018 with a recommendation for the Commission to receive and file.

### Item 7

#### **Current Proposals and Related Activities**

Item presented on the consent calendar for information. Item summarizes active and pending proposals on file with the Commission.

### Item 8

#### **Legislative Report |**

#### **Items of Interest Proceeding into the New Legislative Session**

Item presented on the consent calendar for information. Item summarizes a review of legislative interests for 2019-2020 and includes a rewrite of protest proceedings.

\*\*

Commissioner Desmond motioned to approve the consent calendar as recommended by staff in the associated agenda reports with a second from Commissioner Kersey.

Roll call requested and the Commission Secretary recorded the following votes:

AYES:	Blakespear, Desmond, Jacob, Kersey, MacKenzie, Sprague, and Vanderlaan
NOES:	None
ABSENT:	Cate, Cox, Dedina, and Wells
ABSTAIN:	None

The Secretary confirmed the motion was approved 7-0.

## PUBLIC HEARING ITEMS

None

## **BUSINESS ITEMS**

### **Item 9**

#### **First Reading | 4**

##### **Proposed Update to the Fund Balance Policy**

Item presented on the business calendar for action. The Executive Officer provided a presentation on the item as part of a first-reading and ahead of initiating a formal public comment period. The Executive Officer noted the underlying aim of the update as presented is to add discretionary standards to the existing policy and highlighted by establishing a minimum reserve level of unassigned monies equal to four months of the budgeted expenses. Other amendments also summarized and a handout was provided showing the effect of the proposed amendments on the projected year-end fund balance going into 2019-2020.

Chair MacKenzie asked the Commission if there were any questions for staff.

Commissioner Sprague suggested it would be appropriate to expand the policy update to also establish a maximum reserve level. Commissioner Sprague also commented it would be prudent to pair this process with developing an investment policy.

Commissioner Jacob commented the proposed minimum reserve threshold of four months appears reasonable and noted the importance to maintain cash flow in the beginning of the fiscal year while agency contributions are being collected. Commissioner Jacob also commented it would be prudent to maintain additional reserves as commitments to ensure monies are available to accommodate fee waivers for projects that merit coming forward.

Commissioner Blakespear stated she supports the proposed amendments and added it was important for LAFCO to make sure it has reserves available for potential litigation.

Commissioner Desmond commented he supports the proposed minimum reserve level of four months as well as establishing the proposed replenishment procedures. Commissioner Desmond also expressed support for establishing a maximum level of reserves and formalizing procedures to credit excess monies back to the agencies. Commissioner Desmond added it would be prudent for LAFCO to consider contingencies to protect against downturns in the economy as well as proactively plan for capital needs.

Chair MacKenzie agreed with the earlier comments made by Commissioners.

Citing comments from others Commissioner Sprague suggested staff revisit the proposed update and incorporate options on a maximum reserve threshold along with an investment policy and return to the Commission before initiating the public review.

Commissioner Desmond agreed and added staff consider a rate stabilization option.

## **BUSINESS ITEMS CONTINUED...**

Commissioner Vanderlaan asked if the proposed \$125,000 in assigned funds for the Executive Officer to set aside for legal and fee waivers is sufficient. The Executive Officer responded the amount matches the existing procurement allowance and intended to ensure immediate funds are available to address litigation and fee waiver activities with the qualifier the Commission can increase as needed but it would require a formal check in on the dais.

Chair MacKenzie agreed with others it would be appropriate for staff to incorporate the suggested changes and allow the Commission to see the updated version before proceeding with a public comment period.

With no further discussion or comments from the Commission, Chair MacKenzie asked if there were any audience members wanting to speak on this item. None approached the podium.

No action taken – feedback provided by the Commission.

### **Item 10**

#### **First Reading |**

#### **Proposed Update to the Preservation of Open-Space and Agricultural Lands Policy**

Item presented on the business calendar for action. Analyst Alex Vidal provided a presentation on the item as part of a first-reading and ahead of initiating a formal public comment period. Mr. Vidal summarized the intentions of the update is to strengthen the existing policy with a focus on avoidance and minimization tools and draws on best practices published in a recent CALAFCO white paper on agricultural preservation. Mr. Vidal reviewed the specific amendments suggested and welcomed feedback from the Commission.

Chair MacKenzie asked the Commission if there were any questions for staff.

Commissioner Jacob commented the proposed update and specifically the suggested change to make reference to accommodating housing for all incomes as appropriate exceptions to converting agricultural resources is contradictory and misplaced. Commissioner Jacob added she would suggest scaling back the proposed amendments and strike the reference to accommodating housing as a justified reason to convert agricultural and open space lands. Commissioner Jacob added it would be appropriate for the policy to consistency consider all agricultural lands and not just prime agriculture.

Commissioner Desmond noted several concerns with the proposed update and agreed with Commissioner Jacob that it needed to be scaled back along with defining key terms. Commissioner Desmond added the proposed update causes concern because it could create new and unnecessary hardships on landowners to be able to develop their properties. Commissioner Desmond also added the data included in the agenda report informing the proposed update was dependent on information from the State and it would be appropriate for staff to consult with the San Diego County Farm Bureau.

Commissioner Kersey agreed with the comments provided by Commissioners Jacob and Desmond that the policy update be reworked to address concerns.

Commissioner Vanderlaan asked if there was any interaction with the local agencies and specifically the County and cities as the land use authorities in the development of the proposed update. Mr. Vidal responded no and it was staff's intention to first check-in with the Commission before doing any outreach. Commissioner Vanderlaan responded that it would be prudent for staff to proceed now with some staff-to-staff discussions now that input has been provided by the Commission.

Commissioner Sprague commented that he appreciated staff's efforts on the proposed update and added this was part of the adopted workplan.

Chair MacKenzie added the CALAFCO white paper published last year initiated the interest by the Commission to add the update to the workplan with the understanding this may take some time to get through to make work for this LAFCO.

Chair MacKenzie invited any members of the audience to address the Commission on this topic. Comments were received by the following individuals.

- Chief Stephen Abbott with North County Fire Protection District.
- Director Scott Murray with Mission Resource Conservation District.

With no other comments, Chair MacKenzie asked the Executive Officer about next steps. The Executive Officer responded that per the collective feedback of the Commission staff would revisit the update and scale-back as requested with the goal of returning for another check-in as early as the April meeting.

No action taken – feedback provided by the Commission.

#### **Item 11**

##### **Report from CALAFCO Board Retreat**

Item presented on the business calendar for information only with a brief verbal report provided by Chair MacKenzie on her attendance at the CALAFCO Board retreat held in Irvine on February 28<sup>th</sup> – March 1<sup>st</sup>. Chair MacKenzie discussed CALAFCO's structural deficient and increasing membership fees for LAFCOs.

#### **CLOSED SESSION**

Chair MacKenzie noted that Items 12 and 13 were to be heard in closed session. Closed session adjourned at 10:25 a.m.

## **CLOSED SESSION CONTINUED...**

### **Item 12**

#### **Conference with Legal Counsel – Existing Litigation:**

Pursuant to Government Code Section 54956.9(d)(1): Southcott et al. v. Julian-Cuyamaca Fire Protection District, et al., San Diego Superior Court Case No. 37-2018-0023393-CU-WM-CTL; Fourth District Court of Appeal Case No. D074324

### **Item 13**

#### **Conference with Legal Counsel – Initiation of Litigation:**

Pursuant to Government Code Section 54956.9(d)(4): One potential case

The Commission reconvened into open session at 10:38 a.m. Commission Counsel Holley Whatley stated no reportable actions were taken in closed session.

## **EXECUTIVE OFFICER REPORT**

- The Executive Officer noted USB memory sticks have been handed out to the Commission and include key materials for their reference, including the most recent version of the Cortese-Knox-Hertzberg Act and the Policy Guide. It was also noted Analyst Linda Zambito has been taking pictures at the meeting and will do so again in April as staff prepares to launch the new website by the end of the fiscal year.

## **COMMISSION ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS**

None

## **ADJOURNMENT TO NEXT REGULAR MEETING**

There being no further business to come before the Commission, the meeting was adjourned by Chair MacKenzie at 10:35 a.m. until March 4, 2019.

ATTEST,

Tamaron Lockett  
Executive Assistant



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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 2

## AGENDA REPORT Consent | Action

April 8, 2019

**TO:** Commissioners

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

**SUBJECT:** Commission Ratification |  
Recorded Payments for February 2019

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report identifying all payments received and made for the month of February 2019. These payments cover all recorded transactions for the period and include \$155,422 in total distributions made by the Executive Officer with three-fourths tied to reimbursements to the County of San Diego for payroll, rent, overhead, and information technology services. The payments are being presented to the Commission for formal ratification per practice.

### BACKGROUND

#### Adopted Policies | Accounting Procedures

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

**Administration**  
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Dianne Jacob  
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Greg Cox, Alternate  
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Catherine Blakespear  
City of Encinitas

Bill Wells  
City of El Cajon

Serge Dedina, Alternate  
City of Imperial Beach

Mark Kersey  
City of San Diego

Chris Cate, Alternate  
City of San Diego

Chair Jo MacKenzie  
Visita Irrigation

Vice Chair Ed Sprague  
Olivenhain Municipal Water

Judy Hanson, Alternate  
Leucadia Wastewater

Andy Vanderlaan  
General Public

Harry Mathis, Alternate  
General Public

## DISCUSSION

This item is for San Diego LAFCO to consider ratification of all payments made and received by the Executive Officer between February 1<sup>st</sup> and February 28<sup>th</sup>. A detailing of these transactions is provided in Attachment One. The item also provides the Commission the opportunity to provide feedback to the Executive Officer on related matters and inform potential changes in procedures going forward.

## ANALYSIS

San Diego LAFCO's recorded payments made by the Executive Officer for the month of February 2019 totals \$155,422 with 78% – or \$121,638 – tied to expenditures with the County of San Diego. This includes covering payroll obligations, office rent, overhead, and information technology services. Professional services represent nearly all of the remaining expenditures during the period and tallied \$23,204 and includes covering onsite staff support, legal, and audit costs. Recorded revenues totaled \$29,360 with the majority of proceeds tied to collecting application fees for four new proposals.

## RECOMMENDATION

It is recommended San Diego LAFCO ratify the payments received and made by the Executive Officer for February 2019 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 through a single motion:

Alternative One (recommended):

Ratify the recorded payments received and made by the Executive Officer between February 1<sup>st</sup> and February 28<sup>th</sup> as shown in Attachment One.

Alternative Two:

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

Alternative Three

Take no action.<sup>1</sup>

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<sup>1</sup> Payment ratifications are not required under LAFCO policy, but are presented to the Commission as part of a best practice to inform the public of the agency's transactions.

**San Diego LAFCO**

April 8, 2019 Special Meeting

Agenda Item No. 2 | Payment Ratification for February 2019

**PROCEDURES**

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

Respectfully,



Keene Simonds  
Executive Officer

Attachment:

- 1) Recorded Payments | February 2019

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**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
February 2019

**Agenda Item No. 2 |**  
**Attachment One**

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>E   Amazon</b>						
	2/1/2019	52330 · Office Expense	14.00	Amazon Prime Monthly Payment	debit card	3558 · SDCCU Checking
	2/19/2019	52330 · Office Expense	33.48	Coffee Supplies	credit card	3558-60 · SDCCU Visa Credit Card
	2/21/2019	52330 · Office Expense	55.78	Office Supplies	credit card	3558-60 · SDCCU Visa Credit Card
			103.26			
<b>E   Ambius</b>						
	2/15/2019	52370.J · Professional Services   Office Plant Maintenance	97.94	Monthly Office Plants Service	check	3558 · SDCCU Checking
<b>E   ARCC (Assessor Recorder Coutny)</b>						
	2/8/2019	52490 · Publications	50.00	NOE Fee   Alpine Islands (RO16-15)	check	3558 · SDCCU Checking
	2/8/2019	52490 · Publications	50.00	NOE Fee   CSA No. 135 (RO16-20)	check	3558 · SDCCU Checking
	2/8/2019	52490 · Publications	50.00	NOE Fee   Andeiko-Glaucus (DA18-14)	check	3558 · SDCCU Checking
			150.00			
<b>E   AT&amp;T Mobility</b>						
	2/15/2019	52074 · Telecommunications	240.05	Monthly Cell Phone Bill   EO and Analysts	check	3558 · SDCCU Checking
<b>E   Blaze Pizza</b>						
	2/8/2019	52610 · Non-Travel/In-County	12.88	Staff Quarterly Meeting   Lunch	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Ciao Gourmet Market</b>						
	2/1/2019	52622 · Training/Registration Out-County	3.12	Breakfast at SAN   CALAFCO DEO Meeting (KS)	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Claim Jumper</b>						
	2/4/2019	52610 · Non-Travel/In-County	60.37	Debriefing   KS, Chair, Vice Chair & Counsel	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Colantuono, Highsmith &amp; Whatley</b>						
	2/27/2019	52610 · Non-Travel/In-County	416.91	Business Travel Reimbursement	check	3558 · SDCCU Checking
	2/27/2019	52622 · Training/Registration Out-County	1,013.92	CALAFCO Conf. Reimbursement for HW	check	3558 · SDCCU Checking
	2/27/2019	52370.B · Professional Services   Special Counsel General	10,045.50	Special Counsel Services	electronic	1000 · County Account (44595)
			11,476.33			
<b>E   Costco</b>						
	2/8/2019	52610 · Non-Travel/In-County	32.16	Staff Quarterly Meeting   Lunch	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   County of San Diego</b>						
	2/1/2019	52530 · Office Lease	6,656.64	Rent	electronic	1000 · County Account (44595)
	2/1/2019	52354 · Mail/Postage ISF	775.55	Mail/Postage Services	electronic	1000 · County Account (44595)
	2/1/2019	52178 · Vehicle Maintenance	198.29	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	2/1/2019	52182 · Vehicle Fuel	17.90	Vehicle Fuel	electronic	1000 · County Account (44595)
	2/1/2019	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	2/1/2019	52721 et al. · Communications (IT) Services	11,622.62	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	2/1/2019	52562 · Investigative/Recruitment	49.00	New Employee Background Check (AV)	electronic	1000 · County Account (44595)
	2/1/2019	52550.B · County Overhead Costs	12,118.00	County Services   A-87 (3rd Quarter)	electronic	1000 · County Account (44595)
	2/8/2019	51110 et al. · Employee Payroll	43,816.17	Payroll   Pay Period 2019-16	electronic	1000 · County Account (44595)
	2/22/2019	51110 et al. · Employee Payroll	46,014.31	Payroll   Pay Period 2019-17	electronic	1000 · County Account (44595)
	2/1/2019	52344 · Stores Unallocated	2.95	County Surcharge   Office Depot Order	electronic	1000 · County Account (44595)
	2/28/2019	52504 · Equipment Rental	4.71	County Surcharge   Xerox	electronic	1000 · County Account (44595)
	2/28/2019	52370 · Professional Services	196.00	County Counsel Services	electronic	1000 · County Account (44595)
			121,637.63			
<b>E   CSDA San Diego Chapter</b>						
	2/13/2019	52270 · Memberships	60.00	Registration   CSDA Quarterly Meeting (KS & LZ)	debit card	3558 · SDCCU Checking
<b>E   Culligan of San Diego</b>						
	2/15/2019	52330 · Office Expense	45.00	Monthly Water Service	check	3558 · SDCCU Checking
<b>E   Davis Farr</b>						
	2/27/2019	52370.H · Professional Services   Accounting	8,000.00	Consultant Services   Accounting Services	electronic	1000 · County Account (44595)
<b>E   Earl John Traylor</b>						
	2/15/2019	52610 · Non-Travel/In-County	88.74	Mileage Reimbursement	check	3558 · SDCCU Checking
	2/27/2019	52610 · Non-Travel/In-County	127.60	Mileage Reimbursement	check	3558 · SDCCU Checking
	2/27/2019	52370.F · Professional Services   Local Govt Services	3,990.00	Consultant Services (Fire)	electronic	1000 · County Account (44595)
			4,206.34			
<b>E   Harry Ehrlich</b>						
	2/25/2019	52370.G · Professional Services   Legislation Services	600.00	Consultant Services   Legislation	electronic	1000 · County Account (44595)
<b>E   Jersey Mike's</b>						
	2/11/2019	52270 · Memberships	71.20	SoCal Region GIS Meeting	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Kahn's Cave Grill &amp; Tavern</b>						
	2/14/2019	52610 · Non-Travel/In-County	51.37	Audit Debriefing (KS and Davis Farr)	credit card	3558-60 · SDCCU Visa Credit Card

**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
February 2019

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>E   Leaf &amp; Cole LLP</b>						
	2/27/2019	52370.H - Professional Services   Accounting	275.00	Consultant Services   Accounting Services	electronic	1000 - County Account (44595)
<b>E   Party City</b>						
	2/8/2019	52610 - Non-Travel/In-County	12.87	Office Decorations   TL's 15-Yr Work Anniversary	credit card	3558-60 - SDCCU Visa Credit Card
<b>E   Peterson Donut</b>						
	2/4/2019	52330 - Office Expense	2.00	ATM Fee for Peterson Donut (Commission Meeting)	debit card	3558 - SDCCU Checking
	2/4/2019	52330 - Office Expense	51.75	Refreshments for Commission Meeting at CAC	debit card	3558 - SDCCU Checking
			53.75			
<b>E   Renato Rodriguez</b>						
	2/15/2019	52330 - Office Expense	60.00	Refreshments for Commission Meeting at CAC	check	3558 - SDCCU Checking
<b>E   Robert Barry</b>						
	2/27/2019	52610 - Non-Travel/In-County	17.00	Parking Reimbursement	check	3558 - SDCCU Checking
<b>E   San Diego Metal Graphics</b>						
	2/1/2019	52330 - Office Expense	32.33	Nameplates for New Commissioners & Staff	check	3558 - SDCCU Checking
<b>E   San Diego Union Tribune</b>						
	2/15/2019	52490 - Publications	4,221.75	Public Hearing Notices for February 4th Meeting	check	3558 - SDCCU Checking
<b>E   SDCCU</b>						
	2/19/2019	52304 - Miscellaneous Expense	20.00	Bank Service Charge   Cancellation of 2 checks	debit card	3558 - SDCCU Checking
<b>E   Thomas West Reuters</b>						
	2/15/2019	52336 - Government Books/Office Library	3,054.60	Government Code Books	electronic	3558 - SDCCU Checking
<b>E   Vistaprint</b>						
	2/8/2019	52334 - Printing	98.57	Envelopes with new logo	credit card	3558-60 - SDCCU Visa Credit Card
	2/14/2019	52334 - Printing	337.25	Flashdrives with new logo	credit card	3558-60 - SDCCU Visa Credit Card
			435.82			
<b>E   Vons</b>						
	2/8/2019	52610 - Non-Travel/In-County	40.92	Staff Quarterly Meeting	credit card	3558-60 - SDCCU Visa Credit Card
<b>E   Xerox</b>						
	2/8/2019	52504 - Equipment Rental	448.58	Xerox Rental	electronic	1000 - County Account (44595)
<b>EXPENSE TOTAL</b>			155,422.33			

<b>R   Alpine FPD</b>						
	2/25/2019	52490 - Publications	836.25	Recording & PHN Fess (RO16-15)	check	3558 - SDCCU Checking
<b>R   Archie Maurice Ortega</b>						
	2/22/2019	46234 - Applications	4,050.00	LAFCO Processing Fees (DA19-04)	check	3558 - SDCCU Checking
<b>R   Auday Salem</b>						
	2/11/2019	46234 - Applications	12,150.00	LAFCO Processing Fees (RO19-02)	check	3558 - SDCCU Checking
<b>R   Cash</b>						
	2/12/2019	46234 - Applications	73.50	Cash back from ATM at Peterson Donuts	check	3558 - SDCCU Checking
<b>R   Cynthia Bonsignore</b>						
	2/19/2019	46234 - Applications	8,100.00	LAFCO Processing Fees (DA19-03)	check	3558 - SDCCU Checking
<b>R   Nikolas &amp; Vanessa London</b>						
	2/5/2019	46234 - Applications	4,050.00	LAFCO Processing Fees (DA19-01)	check	3558 - SDCCU Checking
<b>R   Scott Andreiko</b>						
	2/13/2019	52490 - Publications	50.00	Recording Fees (DA18-14)	check	3558 - SDCCU Checking
<b>R   Vista ID</b>						
	2/11/2019	52490 - Publications	50.00	Recording Fees (DA18-11)	check	3558 - SDCCU Checking
<b>REVENUE TOTAL</b>			29,359.75			



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 3

## AGENDA REPORT Consent | Action

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Linda Zambito, Analyst I

**SUBJECT:** Proposed “Eolus Avenue–Ryan Change of Organization” |  
Annexation to the Leucadia Wastewater District (DA18-18)

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal filed by the Leucadia Wastewater District (WWD) to annex approximately 0.69 acres of incorporated territory within its sphere of influence. The affected territory as submitted is developed with a single-family residence and lies entirely within the City of Encinitas. The purpose of the proposal is extend public wastewater service to the affected territory in step with satisfying a permit condition for the landowner to subdivide the subject parcel into two lots and develop a second single-family residence. Staff recommends approval of the proposal with one modification to include 0.06 acres of adjacent public right-of-way on Eolus Avenue. Standard terms are also recommended.

### BACKGROUND

#### Applicant Request | Affected Territory as Proposed

San Diego LAFCO has received a proposal from Leucadia WWD on behalf of an interested landowner (Ryan) requesting approval to annex approximately 0.69 acres within the District’s sphere of influence. The affected territory comprises one parcel already developed with a single-family residence at 1112 Eolus Avenue in the City of Encinitas. The existing single-

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Leucadia Wastewater

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Harry Mathis, Alternate  
General Public



family residence was built in 1962 and is 1,274 square feet in size with three bedrooms and two bathrooms. The County Assessor’s Office identifies the subject parcel as 254-391-10.

### Affected Territory

- One incorporated parcel (0.69 acres in size)
- Developed with a single-family residence located at 1112 Eolus Avenue in Encinitas
- Proposed development to subdivide parcel into two and build second residence
- Currently on septic system



### Subject Agencies

The proposed change of organization involves one subject agency: Leucadia WWD.<sup>1</sup> A summary description of Leucadia WWD follows.

- Leucadia WWD is an independent special district formed in 1959 and provides wastewater services within an approximate 15 square-mile service area with a projected resident service population of 63,000. (It also provides wholesale recycled water service within portions of its jurisdictional boundary.) The jurisdictional boundary includes the northeast portion of the City of Encinitas and the southeastern portion of the City of Carlsbad. Key infrastructure includes 218 miles of wastewater lines that collects and conveys wastewater for treatment and discharge to the Encina Wastewater Authority; a joint-powers authority co-membered by the District and operator of the Encina Wastewater Pollution Control Facility in Carlsbad. LAFCO most recently updated Leucadia WWD’s sphere of influence in 2013 and it includes 547 non-jurisdictional acres. The net position is \$142.556 million as of July 30, 2018 with \$31.955 million – or 22.4% – designated as unrestricted and sufficient to cover 56 months of current operating costs based on 2017-2018 actuals.

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

## Affected Local Agencies

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.<sup>2</sup>

- City of Encinitas
- San Dieguito Water District
- San Diego County Water Authority
- Metropolitan Water District of Southern California
- CSA No. 17 (San Dieguito Ambulance)
- CSA No. 135 (Regional Communications)

## DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – Leucadia WWD’s submitted change of organization proposal to annex the affected territory. 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 the proposal purpose and Commission focus follows.

### Proposal Purpose

The purpose of the proposal is to facilitate the extension of public wastewater service to satisfy a permit condition made by the City of Encinitas to subdivide and develop the affected territory to include a second single-family residence.

### Development Potential

The affected territory as proposed and detailed in Appendix A is planned for moderate-density single-family residential use by the City of Encinitas. These uses are memorialized under Encinitas’ Zoning Code, which assigns the affected territory as R-3 and a minimum lot size of 0.33 acres. This assignment allows for the affected territory to be subdivided into one additional parcel. Towards this end, the landowner has initiated plans with Encinitas to subdivide the subject parcel into two lots. The first lot will contain the existing single-family residence and the second will contain a new single-family residence.

### Commission Focus

Two central and sequential policy items underlie the San Diego LAFCO’s consideration of the change of organization. These policy items take the form of new determinations and orient the Commission to consider the stand-alone merits of the (a) timing of the change of organization and (b) whether discretionary boundary modifications or approval terms are appropriate. The Commission must also consider other relevant statutes as detailed.

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<sup>2</sup> State law defines “affected local agency” as any entity that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered.

## ANALYSIS

The analysis of the change of organization is organized into two subsections. The first subsection pertains to evaluating the central issues referenced above regarding the timing of the change of organization relative to the factors mandated for review by the Legislature and local policies as well as whether modifications or terms are appropriate. The second subsection considers issues required by other applicable State statutes. This includes making findings under the California Environmental Quality Act (CEQA) and the disposition of protest proceedings per Government Code Section 57002(c).

### Central Policy Items

#### Item No. 1 | Change of Organization Timing

The timing of the change of organization appears appropriate and highlighted by the analysis of the dozen-plus factors required for consideration under LAFCO law anytime jurisdictional changes are proposed. The majority of the prescribed factors focus on the impacts of the proposed annexation on the service and financial capacities of the *receiving* agency, Leucadia WWD (emphasis added). No single factor is determinative and the intent is to provide a uniform baseline for LAFCO in considering all jurisdictional changes in context to the Commission's own adopted policies and practices. A summary of key conclusions generated in the review of these factors follows with a complete analysis provided in Appendix A.

- Service Needs  
Annexation of the affected territory to Leucadia WWD would represent a logical and orderly expansion of the District's jurisdictional boundary and wastewater services therein and marked by accommodating a planned development. Additional details on relevant service needs follow.
  - The Commission has previously designated Leucadia WWD as the appropriate long-term wastewater provider for the affected territory through the standing inclusion of the subject land within the District's sphere of influence. Annexation now implements this standing expectation through a public process and accommodates the expressed interest of the affected landowner as evident in their decision to request Leucadia WWD initiate the proceedings.
  - Annexation of the affected territory to Leucadia WWD for purpose of establishing permanent public wastewater services going forward is consistent with the adopted residential land use policies of the City of Encinitas; the current and appropriate long-term land use authority as determined by Commission and marked by the subject lands' standing inclusion in the City's sphere of influence.

- There is an existing need for public wastewater service to accommodate the current and planned residential use within the affected territory given the alternative would be to maintain a private on-site septic system. This alternative – among other items – would counter the Commission’s interest and practice in discouraging private septic systems in developing urban areas.
- Service Capacities and Levels

Leucadia WWD has available and sufficient collection and contracted treatment capacities to accommodate projected service demands within the affected territory at its potential maximum uses without expanding any public infrastructure. Additional details on relevant service capacities and levels follow.

  - An existing Leucadia WWD wastewater main is located immediately adjacent to the affected territory within the public right-of-way on Eolus Avenue and accessible through an approximate 100-foot lateral connection.
  - It is projected the maximum average day wastewater demand generated within the affected territory is 860 gallons. This amount represents 0.0013% of the existing available capacity of Leucadia WWD, and as such can be readily accommodated without additional resources or infrastructure planning.
- Service Funding and Costs

Leucadia WWD has the financial resources coupled with administrative controls to provide wastewater services to the affected territory in support of its current and planned development without adversely impacting current ratepayers. This comment is reflected in the staff analysis of Leucadia WWD’s recent audited statements which shows – among other items – the District remained profitable in each of the last three audited fiscal years with an average total margin of 32.3%.

### **Conclusion | Merits of Change of Organization Timing**

The timing of the change of organization and annexation therein of the affected territory to Leucadia WWD is warranted. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area and reflects available capacities and infrastructure.

## Item No. 2 | Merits of Modification and Terms

Staff believes one modification to the submitted change of organization proposal is appropriate and it involves San Diego LAFCO adding the adjacent public right-of-way of Eolus Avenue. This recommendation adds 0.06 acres and captures the existing wastewater main needed to provide service to the affected territory while providing connectivity to District land to the east on Eolus and thereby eliminating a non-jurisdictional corridor. The recommended modification does not have a material effect on the applicant. Applying standard terms also appears appropriate.

### Conclusion | Merits of Modifications and Terms

Modifying the proposal to include the adjacent 0.06 acre public right-of-way on Eolus Avenue is appropriate and provides an orderly and uninterrupted boundary for Leucadia WWD going forward. Standard terms are appropriate.

## 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 LAFCO can consider any jurisdictional change unless an applicable master agreement applies.<sup>3</sup> The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. To this end, San Diego LAFCO has confirmed the County has adopted a master tax exchange applicable to the proposed change of organization. The application of this master agreement will result in a “no” exchange.

### Environmental Review

Leucadia WWD serves as the default lead agency for assessing potential impacts of the proposal under CEQA given the District has initiated the change of organization proceedings. Leucadia WWD has determined the action qualifies as a project, but is exempt from further review under State CEQA Guidelines Section 15319(a). Staff finds the more appropriate exemption to file is 15319(b) and cross-reference to Section 15303 appropriately applies given the anticipated subdivision and development allow for maximum density under existing land use policies. Accordingly, staff recommends the Commission assume the lead agency role and make a finding consistent with the preceding analysis.

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<sup>3</sup> Jurisdictional change is defined under State law to include latent power expansions.

## **Protest Proceedings**

Protest proceeding for the 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 and the subject agency and landowner have provided their respective written consents to the underlying proceedings.<sup>4</sup> Further, the addition of the adjacent public right-of-way does not trigger protest proceedings under LAFCO law.<sup>5</sup>

## **RECOMMENDATION**

Staff recommends approval of the change of organization proposal consistent with Alternative One as outlined in the proceeding section. Approval provides for planned and orderly annexation and expansion of Leucadia WWD’s wastewater services to the affected territory consistent with needs and capacities.

## **ALTERNATIVES FOR ACTION**

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

### Alternative One (recommended):

- a) Accept and incorporate the analysis of the Executive Officer’s written report.
- b) Assume lead agency role and determine the project – i.e., annexation of the affected territory to Leucadia WWD – is a project, but exempt from further review under State CEQA Guidelines Section 15319(a) and its cross-reference to Section 15303.
- c) Determine protest proceedings are waived under Government Code Section 56662.
- d) Approve the proposed change of organization – cited in short-form as “Eolus Avenue–Ryan Change of Organization to Leucadia Wastewater District” with one modification to include 0.06 acres of public right-of-way immediately adjacent to subject parcel and authorize the Executive Officer to execute a conforming resolution.
- e) Approval is termed on the following standard conditions being satisfied within 12 months unless a time extension is requested and approved by the Commission:
  - Completion of the 30-day reconsideration period under Government Code 56895.
  - Submittal of a 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.

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<sup>4</sup> LAFCO law defines uninhabited as territory in which 11 or less registered voters reside.

<sup>5</sup> Reference to Government Code Section 56048 and definition of “landowner,” which excludes lands owned by public agencies and used – and among other prescribed purposes – as rights-of-ways.

- Payment of any outstanding fees generated in the processing of the proposal pursuant to the LAFCO Fee Schedule as well as any related third-party charges.

Alternative Two:

Continue consideration to the next regular meeting and provide direction to staff concerning additional information, as needed.

Alternative Three:

Disapprove the proposal. This option would preclude a similar proposal being presented to the Commission for a period of no less than one year.

**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 staff,



Linda Zambito  
Analyst I

Appendices:

- A) Analysis of Proposal Review Factors

Attachments:

- 1) Vicinity Map
- 2) Application Materials



**APPENDIX A**  
**ANALYSIS OF MANDATORY PROPOSAL REVIEW FACTORS**  
**GOVERNMENT CODE SECTION 56668**

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

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The affected territory includes one incorporated parcel in the City of Encinitas totaling 0.69 acres plus a recommended addition of 0.06 acres of adjacent public right-of-way.<sup>6</sup> The subject parcel is developed with an approximate 1,274 square foot detached single-family residence with three bedrooms and two bathrooms. The application materials identify the affected territory is currently unoccupied. The current assessed value of the subject parcel – including land and improvements – is \$1,970,000 with the last transaction recorded in March 2018. The affected territory lies within a developing urban-residential area and in a part of the City of Encinitas known as “Leucadia.” Additional moderate-density residential development in the area is expected to continue during the next 10 years consistent with Encinitas’ zoning standards.

- b) The need for organized community services; the present cost and adequacy of governmental 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.**

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The City of Encinitas acts as the primary purveyor of general governmental services to the affected territory. This includes community planning, roads, and public safety with the latter including fire protection and law enforcement via a contract with the County Sheriff. Other pertinent service providers include San Dieguito Water District (domestic water) and County Service Area No. 17 (ambulance). This proposal affects only wastewater and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**

The affected territory and its existing residential uses is currently dependent on an on-site septic system. The septic system was established in 1962 with the construction of the residence. Connection to the system is readily available through an approximate 100-foot lateral to an existing Leucadia WWD wastewater main located within the adjacent public right-of-way Eolus Avenue. It is projected the average daily wastewater flow for the affected territory at its maximum development use – which includes four units divided between two single-family residences and two accessory

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<sup>6</sup> The subject parcel is located at 1112 Eolus Avenue. The County Assessor’s Office identifies the subject parcel as 254-391-10.



dwelling units - is 860 gallons. This projected amount represents less than 0.0013% of the current 6.45 million gallons of available and remaining daily contracted capacity allocated to Leucadia WWD.

**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.**

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Approving the change of organization and annexation therein to Leucadia WWD would recognize and strengthen existing economic and social ties between the District and the affected territory. These ties were initially established in the 1980's when the Commission included the entire area into Leucadia WWD's sphere of influence and signaling the lands would eventually warrant public wastewater service from the District when appropriate.

**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.**

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The affected territory is developed as a conforming residential use under the City of Encinitas General Plan. Approving the proposed change of organization would facilitate the establishment of public wastewater services to the existing single-family residence and accessory dwelling unit currently comprising the affected territory, and in doing so support Encinitas' community planning policies. Similarly, approval would be consistent with the Commission's adopted policies to synch urban type uses – which include moderate density residential uses – with urban type services, such as public wastewater. None of the lands qualify as “open-space” under LAFCO law and therefore does not conflict with the provisions outlined under G.C. Section 56377.

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

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The affected territory does not qualify as “prime agricultural land” under LAFCO law. Specifically, the lands are not 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.

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

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LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds consistent with the standard of the State Board of Equalization. Approval would be conditioned on a final map and description confirming to the referenced standards as well as reflect the proposed modification to add the adjacent 0.006 acre public

right-of-way on Eous Avenue if approved by the Commission. The affected territory does not cross lines of assessment.

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

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The proposal would not conflict with San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG).

**h) The proposal's consistency with city or county general and specific plans.**

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The affected territory is entirely designated for relatively moderate-density single-family residential use under the adopted land use policies of the City of Encinitas. This includes designating and zoning the lands as R-3, which prescribes a minimum parcel size of 0.33 acres. These existing and planned uses are consistent with the proposal's purpose to provide public wastewater to the present single-family residence as allowed under current zoning.

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

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The affected territory lies entirely within the sphere of influence designated for the Leucadia WWD. Additional details are provided in the analysis provided on page 10.

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

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Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

**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.**

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Information collected and reviewed as part of this proposal indicates Leucadia WWD appears to have established sufficient 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.

- Leucadia WWD's last audit covers 2017-2018 and shows the District finished with good liquidity levels with an agency-wide current ratio of 9.2 (i.e., \$9.20 in current assets for every \$1.00 in current liabilities).
- Leucadia WWD finished 2017-2018 with high capital as evident by a low debt ratio of 4.6% (i.e., only \$4.60 out of every \$100.00 in net assets are financed.)

- Leucadia WWD has remained profitable in each of the last five audited fiscal years with an average total margin of 34.0%. The most recent year – 2017-2018 – the total margin was 44.9%.

The landowners at 1112 Eolus Avenue will pay all required fees and service charges commensurate with Leucadia WWD's adopted fee ordinance in establishing wastewater services. At present, the residential wastewater service charge for a single-family residence is \$346.68 per year or \$28.64 per month. The wastewater rates are fixed and are not based on flow or water usage. Serving one additional home as a result of approval of the proposed annexation will not adversely impact existing ratepayers.

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

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The affected territory's existing residential uses are already within and connected to San Dieguito Water District's domestic water system. Approval of the change of organization would not affect the timely availability of water supplies to the affected territory. Further, no comments on the proposal were received from San Dieguito Water District.

**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 consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

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The proposed change of organization 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 Encinitas by the region's council of governments, San Diego Association of Governments. The boundary change would not affect this assignment.

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

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The affected territory is uninhabited as defined LAFCO law (11 registered voters or less). The landowner supports the annexation underlying the change of organization and has provided their written consent to the proceedings.

**o) Any information relating to existing land use designations.**

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See earlier analysis on page 11.

- p) **The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**

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There is no documentation or evidence suggesting the proposal will have a measurable effect – positive or negative – with respect to promoting environmental justice.

- 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 pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.**

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The City of Encinitas General contains a hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies outside any threat designations.

**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.**

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Approval of the change of organization would be in the best interest of the current and future landowners and/or residents of the affected territory by providing access to reliable public wastewater service going forward. Approval would also benefit adjacent landowners and/or residents by eliminating the operation of a private septic system and the potential therein for failures.

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**Agenda Item No. 3 |  
Attachment One**



DA18-18

**PROPOSED "EOLUS AVENUE-RYAN CHANGE OF ORGANIZATION" TO LEUCADIA WASTEWATER DISTRICT**

- Proposal Area
- Leucadia WWD
- Leucadia WWD SOI

SOI = Sphere of Influence

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

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](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](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](http://www.sdlafco.org)



## 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. Leucadia Wastewater District	1. Annexation
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____

As part of this application, the city of \_\_\_\_\_ or the Leucadia Wastewater district, Ben Ryan (the applicant), and/or the \_\_\_\_\_ (real party in interest: subject landowner and/or registered voter) agree 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 the 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 and other costs of defense, damages, costs, and expenses, including attorney fees payable to another party. 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 Leucadia Wastewater 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: \_\_\_\_\_ Date: 11/28/18

Print/Type Name: Ben Ryan

Address: 2079 Garnet Avenue, San Diego, CA 92109

Telephone: ( ) 858-431-6102

Property Address: 1112 Eolus Avenue, Encinitas, CA 92024

Cross Street(s): E. Glaucus Street

Assessor Parcel Number(s): 254-391-10-00 Acres: 0.69

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

Name: Leucadia Wastewater District

Address: 1960 La Costa Avenue, Carlsbad, CA 92009

Telephone: ( ) 760-753-0155

## 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.). Per the City of Encinitas, the parcel is required to connect to the public sanitary sewer system to satisfy a permit condition for a tenant improvement.

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. The current parcel contains an existing single-family residence. The owner intends to subdivide the property into two (2) lots. The first lot will then contain the existing single-family residence while the second lot is anticipated to be developed to have a single-family residence. Additionally, the developer will extend the public sewer system by 50' in order to connect the private lateral for the proposed single-family residence.

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 property slopes to the west with vegetation and landscaping. The property is located in Leucadia, north of Leucadia Blvd. and west of Interstate 5.

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](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 City of Encinitas community plan.

(b) The County General Plan or community plan designation and allowed density: N/A

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

2. CITY:

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

(b) The City General Plan land use designation and allowed density: Residential - 3 DU / Acre

(c) Current City zoning and allowed density: R-3

(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	N/A		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Tentative Parcel Map	18-140 TPM		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Major Use Permit	N/A		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
City/County General Plan Amendment	N/A		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
City Prezoning	N/A		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
County Rezone	N/A		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
(Other)	N/A		<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? Leucadia Wastewater 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? San Dieguito 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 party<sup>1</sup> or agent<sup>2</sup> 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.

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

<sup>2</sup> "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: \_\_\_\_\_  
Annexation  
\_\_\_\_\_

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

1. None  
\_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Date and amount of contribution:

Date \_\_\_\_\_ Amount \$ None  
Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

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

1. N/A  
\_\_\_\_\_
2. \_\_\_\_\_

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

Printed Name Ben Ryan

Signature [Signature]

Date 11/28/18 Phone 858-431-6102

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: 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**<sup>1</sup> 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.

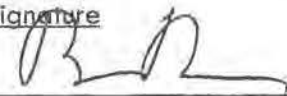
<sup>1</sup> Territory included within a proposed boundary change that includes less-than 12 registered voters is considered **uninhabited** (Government Code 56045).

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)

Annexation to: 1. Leucadia Wastewater District  
2.  
3.

Detachment from: 1.  
2.  
3.

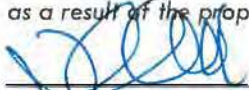
Date	Signature	Assessor's Parcel Number(s)
1. 11/28/18		254-391-10-00
2.		
3.		
4.		
5.		

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.

 _____ Signature of agency representative	Dexter Wilson, P. E. _____ Print name
District Engineer _____ Title	11-19-10 _____ Date
760-438-4422 _____ Telephone	

### A. JURISDICTIONAL INFORMATION:

Name of agency:  
Leucadia Wastewater 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: Sewer capacity fees-\$5,089 per Equivalent Dwelling Unit (EDU) & sewer service fees of \$343.68 per year per EDU for FY2019
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)? \_\_\_\_\_  
31,945 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)? \_\_\_\_\_  
Approximately 4.0 mgd daily average
3. (a) What is the agency's peak flow volume (expressed in million gallons per day)?  
Approximately 9.0 mgd (peak daily instantaneous flow)  
(b) What is the agency's peak flow capacity (expressed in million gallons per day)?  
Approximately 15.5 mgd (peak instantaneous flow)  
(c) Has the agency exceeded the flow (peak) capacity within the past two years? ☐ YES ☒ NO  
(d) *If yes*, please describe the frequency and volume of incidents that exceeded the agency's peak capacity: \_\_\_\_\_
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? 0.5 EDU's  
(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 projected build out demand is approximately 6.45 mgd and capacity rights are currently 7.10 mgd, thereby exceeding project demand requirements  
(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 100 feet.  
(b) Describe the location of the connection to the agency's existing sewer system:  
Onsite private sewer lateral will connect to new proposed public sewer on Eolus 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): \_\_\_\_\_
- (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): \_\_\_\_\_
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? \_\_\_\_\_
7. Will the proposal territory be annexed to an improvement district? ☐ YES ☐ NO

**RESOLUTION NO. 2306**

**A RESOLUTION OF APPLICATION BY THE  
BOARD OF DIRECTORS OF LEUCADIA WASTEWATER DISTRICT  
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION  
TO TAKE PROCEEDINGS FOR THE PROPOSED  
RYAN CHANGE OF ORGANIZATION**

---

**RESOLVED**, by the Board of Directors of the Leucadia Wastewater District, that

**WHEREAS**, the Board of Directors of the LEUCADIA WASTEWATER DISTRICT (LWD), San Diego County, State of California, desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code for the proposed Ryan Change of Organization; and

**WHEREAS**, the proposed Ryan Change of Organization includes annexation of the Ryan territory (**APN 254-391-10-00**) to the LWD; and

**WHEREAS**, the reasons for this proposed Change of Organization are as follows:

1. LWD is empowered to and is engaged in the collection, treatment, and disposal of wastewater and has existing facilities to provide wastewater service to the territory proposed to be annexed.
2. The owners of the territory desire to utilize the LWD facilities.
3. The territory to be annexed is within LWD's Sphere of Influence.

**WHEREAS**, the territory subject to the proposed Change of Organization is inhabited, and a description of the external boundary of the territory is set forth in Exhibit "A" and a map thereof is set forth in Exhibit "B", both attached hereto and by this reference incorporated herein; and

**WHEREAS**, LWD requests that the proposed Change of Organization be subject to the following terms and conditions:

1. The annexed property is thereafter subject to capacity fees, sewer service fees, and all other district-wide Ordinances and Resolutions of LWD.

**WHEREAS**, LAFCO is authorized to approve this proposed Change of Organization without notice or hearing and without an election. If no express effective date is indicated, the effective date of the Change of Organization shall be the date of recordation of the Certificate of Completion and Resolution ordering the change of organization by the County Recorder.




**WHEREAS**, the staff of LWD has reviewed this proposed Change of Organization under the California Environmental Quality Act (CEQA) and has found it to be categorically exempt from CEQA pursuant to Section 15319 (a) of the California Environmental Quality Act.


**NOW, THEREFORE**, this Resolution of Application is hereby approved and adopted by the Board of Directors of the LEUCADIA WASTEWATER DISTRICT. The Local Agency Formation Commission of San Diego County is hereby requested to take proceedings for the proposed Change of Organization that includes the territory as described in Exhibit "A" and shown in Exhibit "B", according to the terms and conditions stated above and in a manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.

**PASSED AND ADOPTED** at a Regular meeting of the Board of Directors held on November 14<sup>th</sup>, 2018 by the following vote:

AYES:	Sullivan, Kulchin, Juliussen, Omsted, Hanson
NOES:	None.
ABSTAIN:	None.
ABSENT:	None.

  
\_\_\_\_\_  
Elaine Sullivan, President

ATTEST:

  
\_\_\_\_\_  
Paul Bushee, General Manager  
(SEAL)

## EXHIBIT "A"

### RYAN ANNEXATION

#### ANNEXATION TO LEUCADIA WASTEWATER DISTRICT

#### GEOGRAPHIC DESCRIPTION

All that certain real property, situated in a portion of Lot 10, Block "E" of South Coast Park, in the City of Encinitas, County of San Diego, State of California, according to Map thereof No. 1788, filed in the Office of the County Recorder of San Diego County, March 29, 1924, described as follows:

**Commencing** at the centerline intersection of Eolus Avenue (50 feet wide) and Breezeway Drive (32 feet wide) in the City of Encinitas;

Thence, (1) North 15°03'41" West 209.95 feet along the centerline of Eolus Avenue to a point on the easterly prolongation of the southerly line of said Lot 10;

Thence, (2) South 74°56'05" West 25.00 feet to the **True Point of Beginning**, said point also being the southeast corner of said Lot 10, said corner also being a corner of the existing Leucadia Wastewater District Boundary:

Thence, (3) South 74°56'05" West 299.92 feet;

Thence, (4) North 15°02'47" West 100.00 feet;

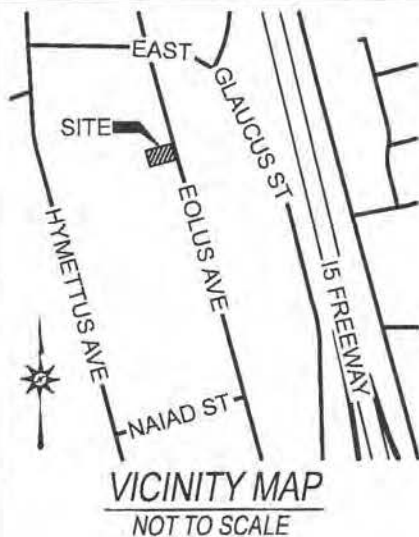
Thence, (5) North 74°56'05" East 299.89 feet;

Thence, (6) South 15°03'41" East 100.00 feet to the **True Point of Beginning**.

Contains **0.69** acres of land, 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.

# EXHIBIT 'B' ANNEXATION PLAT



APN: 254-391-39

APN: 254-391-38

1112 EOLUS AVENUE

APN: 254-391-10

POR LOT 10 BLOCK 'E' MAP 1788

APN: 254-391-26

APN: 254-391-32

APN: 254-391-53

APN: 254-391-54

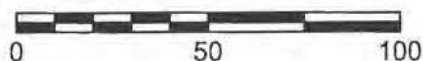
TRUE POINT  
OF BEGINNING  
SE CORNER LOT 10

POINT OF  
COMMENCEMENT

BREEZEWAY DRIVE

## COURSES:

1. N15°03'41"W 209.95'
2. S74°56'05"W 25.00'
3. S74°56'05"W 299.92'
4. N15°02'47"W 100.00'
5. N74°56'05"E 299.89'
6. S15°03'41"E 100.00'



## LEGEND

PROPOSED ANNEXATION BOUNDARY

EXISTING LEUCADIA WASTEWATER  
DISTRICT BOUNDARY

PROPOSED ANNEXATION REGION

WITHIN LWD SPHERE OF  
INFLUENCE & OUTSIDE LWD



ASSESSOR'S PARCEL NUMBERS	LAFCO RESOLUTION NO.	ACREAGE	DATE	SCALE
254-391-10		0.69	8/17/18	1"=50'
LWD ANNEXATION NO. _____				
BEING A PORTION OF LOT 10, BLOCK "E" OF MAP 1788				
PASCO LARET SUITER & ASSOCIATES 535 N. HIGHWAY 101, SUITE A SOLANA BEACH, CA 92075 jn. 2881 TEL: (858)259-8212				

## Notice of Exemption

## Appendix E

**To:** Office of Planning and Research  
 P.O. Box 3044, Room 113  
 Sacramento, CA 95812-3044  
 County Clerk  
 County of: San Diego  
 1600 Pacific Highway, Room 260  
 San Diego, CA 92101

**From:** (Public Agency): Leucadia Wastewater District  
1960 La Costa Avenue  
Carlsbad, CA 92009

(Address)

Project Title: Ryan Annexation

Project Applicant: Ben Ryan (858) 431-6102

Project Location - Specific:

1112 Eolus Avenue, Encinitas, CA 92024

Project Location - City: Encinitas

Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Annexation of 0.69 acres, which includes 1 parcel with an existing single-family dwelling and a proposed lot split with a new single-family dwelling, to the Leucadia Wastewater District for the purpose of providing sewer service to both residences. The parcel is currently on a septic system. APN 254-391-10-00.

Name of Public Agency Approving Project: Leucadia Wastewater District (LWD)

Name of Person or Agency Carrying Out Project: Annex. by LWD, sewer connection by homeowner

Exempt Status: (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☒ Categorical Exemption. State type and section number: 15319 (a)  
☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

The action is exempt in accordance with CEQA Guidelines: 15319, Annexation of Existing Facilities and Lots for Exempt Facilities, Class 19, Section (a). Annexation of parcel into LWD is for the sole purpose to connect to the existing sewer public system (sewer). While one residence can connect to the existing sewer, the developer will be required to extend the sewer by 50' to connect the private lateral of the proposed second residence.

Lead Agency

Contact Person: Mr. Paul J. Bushee

Area Code/Telephone/Extension: 760-753-0155

If filed by applicant:

1. Attach certified document of exemption finding.  
 2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: Paul J. Bushee

Date: 11/29/2018

Title: General Manager

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
 Reference: Sections 21108, 21152, and 21152.1, Public Resources Code

Date Received for filing at OPR: \_\_\_\_\_



**CONSENT TO ANNEXATION  
TO  
LEUCADIA WASTEWATER DISTRICT  
(Reference: Section 56261, Government Code)**

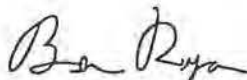
Each of the undersigned represents that he (she) is the owner of the property described opposite his (her) name and hereby consents to the annexation of said property to the above-named district and further consents to the annexation thereof subject to the following conditions:

Payment to the Leucadia Wastewater District of \$3,675.00, as a lump sum payable upon initiation of preliminary proceedings of annexation for the right of use of all the existing property, real and personal, of the Leucadia Wastewater District.

Note: Forms must be signed and dated by the property owners.

Date	Name	Address	Property Description or County Assessor's Parcel Number (Attach description if necessary)
10/19/18	Ben Ryan	1112 Eolus Avenue Encinitas, CA 92024	APN: 254-391-10-00

- **THERE WILL BE NO OPPORTUNITY FOR REIMBURSEMENT OF SEWER DESIGN OR CONSTRUCTION COSTS FROM LWD.**

 10/19/18  
\_\_\_\_\_  
NAME DATE

\_\_\_\_\_  
NAME DATE



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## 4

### AGENDA REPORT Consent | Information

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Robert Barry, Chief Policy Analyst

**SUBJECT:** Protest Results for the “Alpine Islands Reorganization” |  
Annexation to Alpine Fire Protection District and Concurrent Service Divestiture  
from County Service Area No. 135 (RO16-15 et al.)

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of the protest hearing conducted for the “Alpine Islands Reorganization.” The noticed hearing was held by the Executive Officer on Wednesday, March 13<sup>th</sup> and did not produce any written objections from landowners or registered voters within the affected territory. The Commission’s approval to transfer fire protection and emergency medical service responsibilities for the affected territory from the County of San Diego and its Fire Authority to the Alpine Fire Protection District (FPD) will be ordered once all terms are satisfied.

### BACKGROUND

#### Proposal Request

Alpine FPD has filed a proposal with San Diego LAFCO proposing reorganization and annexation therein of six distinct areas totaling approximately 6,166 acres with the majority already within its sphere of influence. All of the affected territory presently lies within the activated fire protection and emergency medical services (EMS) area of County Service Area (CSA) No. 135 as the County Fire Authority, which contracts with the California Department of

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Jim Desmond</b> County of San Diego	<b>Catherine Blakespear</b> City of Encinitas	<b>Mark Kersey</b> City of San Diego	<b>Chair Jo MacKenzie</b> Visita Irrigation	<b>Andy Vanderlaan</b> General Public
	<b>Dianne Jacob</b> County of San Diego	<b>Bill Wells</b> City of El Cajon	<b>Chris Cate, Alternate</b> City of San Diego	<b>Vice Chair Ed Sprague</b> Olivenhain Municipal Water	<b>Harry Mathis, Alternate</b> General Public
	<b>Greg Cox, Alternate</b> County of San Diego	<b>Serge Dedina, Alternate</b> City of Imperial Beach		<b>Judy Hanson, Alternate</b> Leucadia Wastewater	

Forestry and Fire Protection (CALFIRE) for year-round services. Alpine FPD’s proposal, accordingly, also requests concurrent divestiture of the affected territory from CSA No. 135’s activated fire and EMS service area and necessitates corresponding sphere amendments. The Board of Supervisors, acting as the legislative body for CSA No. 135, adopted a resolution on January 29, 2019 in support for divestiture.

### **Commission Action**

On February 4, 2019, San Diego LAFCO held a noticed public hearing to consider the proposal filed by Alpine FPD. The Commission proceeded to approve the reorganization without modifications and standard terms. The Commission also delegated protest hearings to the Executive Officer as allowed under policy.

### **DISCUSSION**

This information item is for San Diego LAFCO to receive the results of the protest hearing delegated to the Executive Officer involving the Commission’s earlier approval of the Alpine Islands Reorganization as required under policy. The protest hearing was held on March 13, 2019 and produced no written submittals from affected landowners or registered voters objecting to the reorganization. A confirming resolution ordering the reorganization has been executed by the Executive Officer, and the proceedings will become final once the applicants satisfy all remaining terms necessary to record a certificate of completion.

### **ANALYSIS**

The Alpine Islands Reorganization has cleared its last substantive threshold. All remaining actions necessary to record the boundary changes are ministerial.<sup>1</sup>

### **RECOMMENDATION**

Receive the item for information purposes only.

### **ALTERNATIVES FOR ACTION**

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

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<sup>1</sup> San Diego LAFCO policy directs the Executive Officer to proceed and issue an ordering resolution at the conclusion of the protest hearing process so long as the results do not require the proposal to be terminated or confirmed by an election. The Executive Officer is also responsible for informing the Commission of the protest results resulting in an action being ordered at the next regular meeting. [Policy on Conducting Protest Hearings Section 4(h)].

**San Diego LAFCO**

April 8, 2019 Special Meeting

Agenda Item No. 4 | Protest Results for the “Alpine Islands Reorganization” (RO16-15 et al.)

**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,

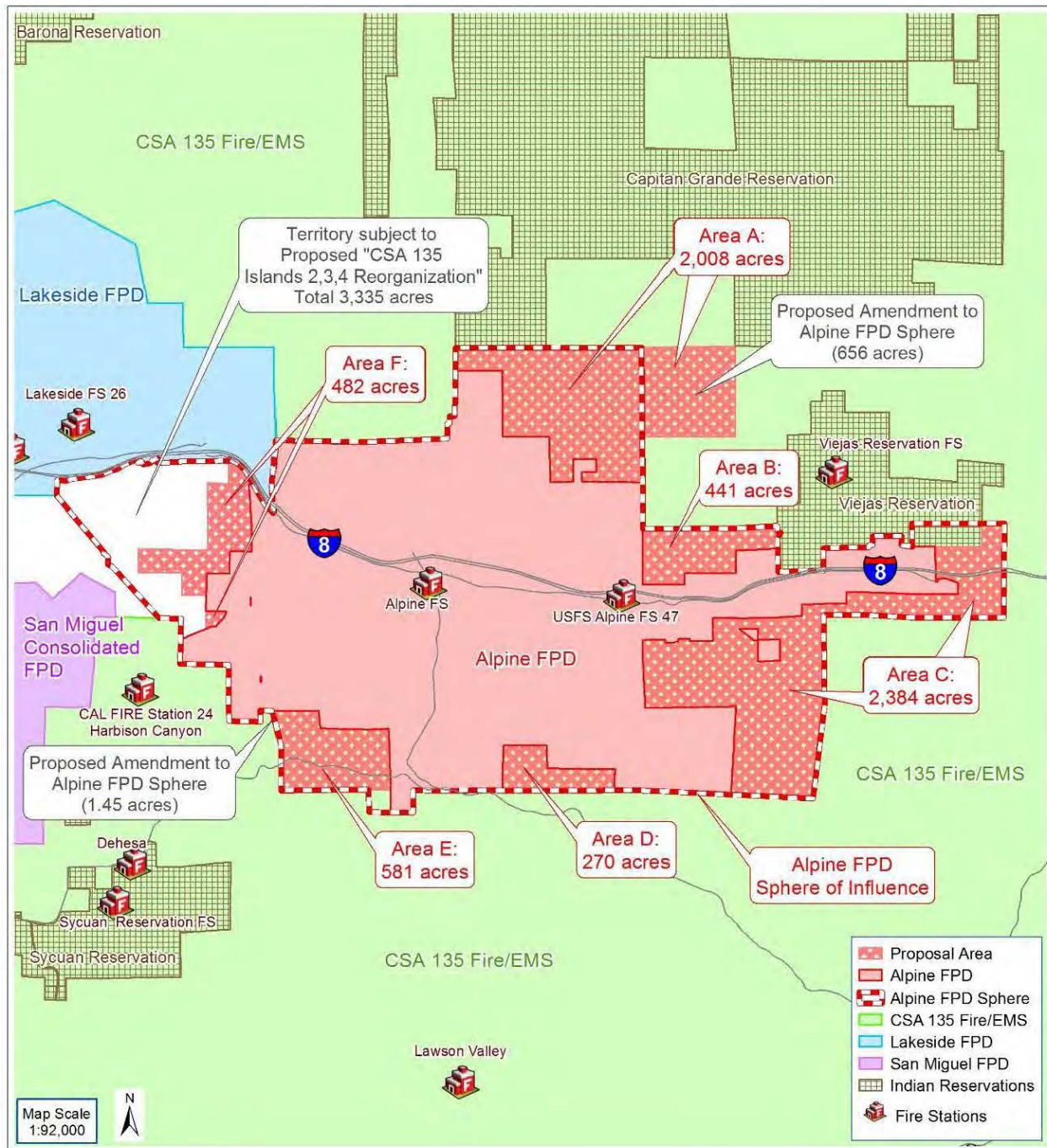


Keene Simonds  
Executive Officer

Attachment:

- 1) Map of the Affected Territory

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--Illustration Purposes Only--

DA16-15  
RO16-15

## PROPOSED "ALPINE ISLANDS REORGANIZATION"



**SAN DIEGO LAFCO**

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Created by Dieu Ngu -- 1/23/2019

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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 5

## AGENDA REPORT Consent | Information

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Robert Barry, Chief Policy Analyst

**SUBJECT:** Protest Results for the “County Service Area No. 135 Islands Reorganization” | Concurrent Latent Power Area Expansion for County Service Area No. 135 and Annexations to Fire Protection Districts (RO16-20 et al.)

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of the protest hearing conducted for the “County Service Area No. 135 Islands Reorganization.” The noticed hearing was held by the Executive Officer on Wednesday, March 13<sup>th</sup> and did not produce any written objections from landowners or registered voters within the affected territory. The Commission’s approval to establish formal fire protection and emergency medical service responsibilities within the affected territory and divided among five local public agencies will be ordered once all terms are satisfied.

### BACKGROUND

#### Proposal Request

The County of San Diego through County Service Area (CSA) No. 135 has filed a proposal with San Diego LAFCO proposing reorganization and multiple jurisdictional changes therein involving three distinct unincorporated areas totaling 20,861 acres. All of the affected territory presently lies outside any authorized fire protection service provider. The proposal seeks to establish and divide fire protection and related emergency medical services within

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City of Encinitas

Bill Wells  
City of El Cajon

Serge Dedina, Alternate  
City Selection Committee

Mark Kersey  
City of San Diego

Chris Cate, Alternate  
City of San Diego

Chair Jo MacKenzie  
Visita Irrigation

Vice Chair Ed Sprague  
Olivenhain Municipal Water

Judy Hanson, Alternate  
Leucadia Wastewater

Andy Vanderlaan  
General Public

Harry Mathis, Alternate  
General Public



the affected territory between five subject agencies and based on delivery efficiencies. Approximately 4/5 of the affected territory is proposed for a latent power expansion to CSA No. 135 with the remaining 1/5 proposed for annexation to Bonita-Sunnyside Fire Protection District (FPD), Lakeside FPD, San Miguel Consolidated FPD, and Ramona Municipal Water District, respectively.

### **Commission Action**

On February 4, 2019, San Diego LAFCO held a noticed public hearing to consider the proposal filed by the County of San Diego. The Commission proceeded to approve the reorganization without modifications and standard terms. The Commission also delegated protest hearings to the Executive Officer as allowed under policy.

### **DISCUSSION**

This information item is for San Diego LAFCO to receive the results of the protest hearing delegated to the Executive Officer involving the Commission’s earlier approval of the CSA No. 135 Islands Reorganization as required under policy. The protest hearing was held on March 13, 2019 and produced no written submittals from affected landowners or registered voters objecting to the reorganization. A confirming resolution ordering the reorganization has been executed by the Executive Officer, and the proceedings will become final once the applicants satisfy all remaining terms necessary to record a certificate of completion.

### **ANALYSIS**

The CSA No. 135 Islands Reorganization has cleared its last substantive threshold. All remaining actions necessary to record the boundary changes are ministerial.<sup>1</sup>

### **RECOMMENDATION**

Receive the item for information purposes only.

### **ALTERNATIVES FOR ACTION**

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

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<sup>1</sup> San Diego LAFCO policy directs the Executive Officer to proceed and issue an ordering resolution at the conclusion of the protest hearing process so long as the results do not require the proposal to be terminated or confirmed by an election. The Executive Officer is also responsible for informing the Commission of the protest results resulting in an action being ordered at the next regular meeting. [Policy on Conducting Protest Hearings Section 4(h)].

**San Diego LAFCO**

April 8, 2019 Special Meeting

Agenda Item No. 5 | Protest Results for the “CSA No. 135 Islands Reorganization” (RO16-20 et al.)

**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,

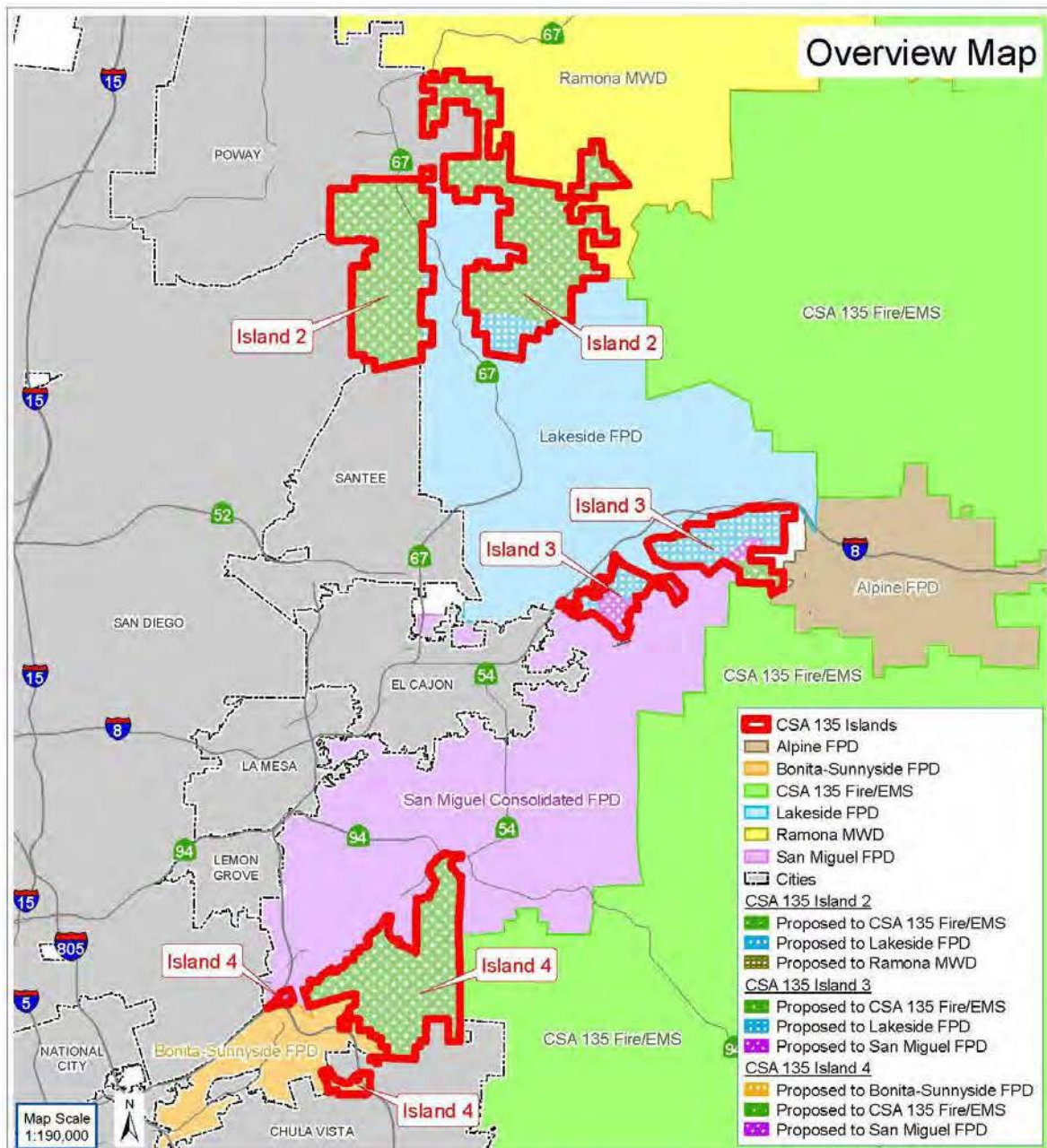


Keene Simonds  
Executive Officer

Attachment:

- 1) Map of the Affected Territory

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--Illustration Purposes Only--

SA16-20  
RO16-20  
LP(E)16-20

## OVERVIEW OF CSA 135 FIRE/EMS ISLANDS 2, 3, & 4

PROPOSED "CSA 135 FIRE/EMS ISLANDS 2, 3, & 4 REORGANIZATION"



**SAN DIEGO LAFCO**

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G:\GIS\PROJECTS\CSA135 Islands\Updated CSA 135 Islands Overview.mxd

Created by Dieu Ngu - 11/20/2018

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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## 6

### AGENDA REPORT Consent | Action

April 8, 2019

**TO:** Commissioners  
**FROM:** Keene Simonds, Executive Officer  
**SUBJECT:** Progress Report on 2018-2019 Workplan

#### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing projects included in the adopted workplan for 2018-2019. This includes noting through the first nine months of the fiscal year 80% of all high and moderate priority projects have been initiated with several either already completed or near completion. Completed projects include filling all budgeted staff positions, updating the fee schedule, and establishing new and formal bookkeeping procedures. Projects nearing completion include the two priority reorganization proposals established for the fiscal year (Julian-Cuyamaca Fire Protection District and County Service Area No. 115) and the design and launch of a new agency website. The report is being presented to receive and file.

#### BACKGROUND

##### 2018-2019 Workplan

San Diego LAFCO's (Commission) current fiscal year workplan includes 25 projects and divided into one of three priority rankings: high; moderate; or low. The underlying intent of the workplan is to serve as a management tool to allocate Commission resources over the 12-month period. Further, while it is a stand-alone document, the workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the workplan to address changes in resources and or priorities as well to continue projects into subsequent fiscal years.

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	<b>Dianne Jacob</b> County of San Diego	<b>Bill Wells</b> City of El Cajon	<b>Chris Cate, Alternate</b> City of San Diego	<b>Vice Chair Ed Sprague</b> Olivenhain Municipal Water	<b>Harry Mathis, Alternate</b> General Public
	<b>Greg Cox, Alternate</b> County of San Diego	<b>Serge Dedina, Alternate</b> City of Imperial Beach		<b>Judy Hanson, Alternate</b> Leucadia Wastewater	

## DISCUSSION

This item provides San Diego LAFCO with a status update on the 25 targeted projects established in the workplan for the fiscal year. This includes staff assigning one of four status categories to projects ranging from pending to complete and detailed in Attachment One. The item is being presented for the Commission to formally receive and file while also providing the membership the opportunity to provide direction to staff going forward.

## ANALYSIS

San Diego LAFCO is generally proceeding as planned with 80% of all high and moderate priority projects having been initiated through the first nine months of the fiscal year with several either already completed or near completion. Completed projects include filling two analyst positions, establishing new bookkeeping procedures, and adopting a comprehensive update to the fee schedule. Work is also complete for one of the two priority reorganizations targeted for the fiscal year with fee waivers involving County Service Area No. 115. The other targeted priority reorganization involving the Julian-Cuyamaca Fire Protection District will presumably be completed following the receipt by the Commission of the special election results at the April 8<sup>th</sup> meeting. The lone and notable exception to the overall progress made to date in the workplan involves delays with the calendared municipal service reviews. These delays are largely attributed to onboarding new staff paired with expanding the documents' scope and scale. The substantive result is the expectation for two of the five calendared municipal service reviews involving the Vista and San Marcos regions to continue well into 2019-2020.

## RECOMMENDATION

It is recommended San Diego LAFCO receive and file the item with the invitation to discuss and or request revisions for future consideration. This recommendation would be accommodated by taking the actions outlined in the succeeding section as Alternative One.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Receive and file the report as presented.

Alternative Two:

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

Respectfully,



Keene Simonds  
Executive Officer

Attachment:

- 1) 2018-2019 Workplan with Status Notations



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## San Diego County Local Agency Formation Commission

### Regional Service Planning | Subdivision of the State of California

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#### 2018-19 Workplan

##### Introduction:

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

##### Objective:

This document represents San Diego LAFCO's ("Commission") formal 2018-19 Workplan. The Workplan draws on the recommendations of the Executive Officer as vetted and approved by the Commission. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year to address changes in resources and or priorities and to carry-forward projects into subsequent years.

##### Executive Summary:

The 2018-19 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. Most notably, this includes allocating sufficient resources to process several prominent reorganizations on file as well as initiating a new round of municipal service reviews beginning in the mid-county region. Notable new administrative projects include completing a job class/salary schedule review and fee schedule update as well as designing a new website and transitioning to e-agenda packets. A limited number of projects have also been identified as low priorities with the policy intention for the Commission to address – such as updating the application packet and establishing social media policies and protocols – as resources allow with the remainder to continue into the next fiscal year.

Priority	Level	Type	Project	Key Issues	Status: 4-8-19
1	High	Statutory	Exiting High Priority Proposals on File	Julian-Cuyamaca FPD and CSA No. 115	Near Completion
2	High	Statutory	Expected High Priority Proposals	Escondido (Safari Highlands), Vista (Lomas Verdes), Rincon (Harmony Grove South and Valiano)	Pending
3	High	Administrative	Targeted LAFCO Presentations	Engage stakeholders; emphasis on informing stakeholders ahead of MSR work	Near Completion
4	High	Administrative	Fill Budgeted Positions	Recruitments for three new analysts and related training and development	<b>Complete</b>
5	High	Administrative	Job Class and Salary Review	Specific to non-executive positions; first review in 10 years; focus on alignment and retention	Near Completion
6	High	Statutory	MSR   SOI City of Escondido Region	Per Study Schedule; includes Escondido, Deer Springs FPD, and Rincon del Diablo MWD	Underway
7	High	Statutory	MSR   SOI City of San Marcos Region	Per Study Schedule; includes San Marcos, San Marcos FPD, and Vallecitos WD	Underway
8	High	Statutory	MSR   SOI City of Vista Region	Per Study Schedule; Includes Vista, Vista ID, Vista FPD, and Buena Sanitation	Underway
9	High	Administrative	Policy Reviews: Reserves and Ag Protection	Explore and pursue changes to reflect best practices and membership preferences	Near Completion
10	High	Administrative	Fee Schedule Update	First update since early 2000s; ensure appropriate cost-recovery and establish hourly staff rates	<b>Complete</b>
11	Moderate	Administrative	MOU Update with County	Existing MOU from 1974; update to reflect current agency relationships/needs	Pending
12	Moderate	Administrative	E-Agenda Packets	Simplify agenda packet production and reduce material (paper, ink, etc.) consumption	Near Completion
13	Moderate	Statutory	MSR   SOI Julian Region	Per Study Schedule; includes Julian-Cuyamaca FPD, Julian CSD, and several others	Near Completion
14	Moderate	Administrative	Establish Bookkeeping Services	Quality insurance measure; reconcile statements and create scaled chart of accounts for LAFCO	<b>Complete</b>
15	Moderate	Administrative	2017-18 Audit	Best practice; follow up on previous audit recommendations (Item No. 14)	<b>Complete</b>
16	Moderate	Administrative	Website Update	Design and launch new website; simplify and improve content management system	Near Completion
17	Moderate	Statutory	MSR   SOI SD County Sanitation District	Includes multiple community wastewater service areas	Pending
18	Moderate	Administrative	CALAFCO   Southern LAFCOs	Participate and provide leadership within CALAFCO and in southern region	Near Completion
19	Moderate	Administrative	Agency Logo	Branding; establish agency logo for use on letterhead and other communications	<b>Complete</b>
20	Moderate	Administrative	Digital Archiving 2.0	Restart project to digitize LAFCO records; incorporate online public access (Item No. 16)	Pending
21	Low	Administrative	Informational Report on SGMA	Focus in North County; examine State Groundwater Management Act implementation issues	Pending
22	Low	Statutory	Informational Report on JPAs	Follow up to SB 1266 and requirement for municipal-serving JPAs to file with LAFCOs	Pending
23	Low	Administrative	Update Application Packet	Streamline existing packet to be more user-friendly; address new statutory requirements	Pending
24	Low	Administrative	SOI/MSR Annual Report	Prepare annual report to serve as living record of all sphere actions in San Diego County	<b>Complete</b>
25	Low	Administrative	Social Media Policies and Protocols	Expand outreach to capture alternate media forums	Pending



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## 7

### AGENDA REPORT Consent | Information

April 8, 2019

**TO:** Commissioners

**FROM:** Robert Barry, Chief Policy Analyst  
Linda Zambito, Analyst I  
Alex Vidal, Analyst I

**SUBJECT:** Current Proposals & Notification of District Actions Submitted by Petition of Registered Voters or Landowners

#### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report summarizing active proposals on file with the Commission. This includes one new submittal made with LAFCO since the last report was presented at the March 4<sup>th</sup> meeting. The report also identifies notable pending proposals that are expected to be submitted in the near term. The item is for information only and concurrently satisfies LAFCO's reporting requirement for special district proposals submitted by petition of registered voters or landowners. The 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.

#### BACKGROUND

##### LAFCO Proceedings

LAFCO proceedings for consideration of proposed changes of organization or reorganizations – which include incorporations, formations, annexations, detachments, mergers, consolidations, and service power activations or divestures – may be initiated by landowner/voter petition or resolution by local agencies. LAFCOs may also initiate proposals

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Visita Irrigation

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Olivenhain Municipal Water

Judy Hanson, Alternate  
Leucadia Wastewater

Andy Vanderlaan  
General Public

Harry Mathis, Alternate  
General Public

specific to forming, consolidating, or dissolving special districts if consistent with the recommendations of approved municipal service reviews. Following submittal, proposals are reviewed for completeness and status letters are sent to applicants within 30 days. If proposals require additional documentation they are deemed incomplete and the status letters will itemize any needed information. Once proposals are deemed complete they are scheduled for Commission hearing. Proposals involving outside service extension requests follow separate proceedings and may be administratively approved by the Executive Officer if addressing documented public health or safety threats.

## DISCUSSION

This item is being presented for information only and identifies all active proposals currently on file with San Diego LAFCO. The report also – and for telegraphing purposes of future workload – identifies pending proposals staff anticipates being filed with LAFCO in the near term. A summary of active and pending proposals follows and further detailed in Attachment One. The information item also serves to concurrently satisfy the Commission’s reporting requirement to provide notice on agendas when proposals involving special districts are initiated by landowners or registered voters.<sup>1</sup>

### Active Proposals

There are 25 active proposals currently on file with San Diego LAFCO as of date. The active proposals range in scope from pre-hearing to post-hearing with the latter category representing items already approved by the Commission but awaiting the completion of conducting authority proceedings (i.e., protest) or terms. Most recently, the following proposal has been submitted with the Commission since the March 4<sup>th</sup> report:

- “Van Buren–Austin Drive Change of Organization” (CO19-05) | Annexation to the San Diego County Sanitation District <sup>2</sup>

### Pending Proposals

There are seven potential new and substantive proposals staff expects to be submitted to San Diego LAFCO in the near-term from local agencies based on ongoing discussions with proponents.<sup>3</sup> Four of these pending proposals include city annexations in North County to accommodate relatively large subdivision projects and involve Safari Highlands (Escondido), Sager Ranch (Escondido), Rancho Lomas Verdes (Vista) and Otay Mesa Landfill (Chula Vista). The other three pending proposals involve unincorporated residential development projects west of the City of Escondido – Valiano (Eden Hills), Harmony Grove Village South, and Orchard Hills – and would require annexations to one or more special districts.

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<sup>1</sup> 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.

<sup>2</sup> The “Van Buren–Austin Drive Change of Organization” (CO19-05) was subsequently withdrawn by request of the applicant on March 13, 2019.

<sup>3</sup> Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

**Notification:**  
**Special District Proposals Submitted by Registered Voter/Landowner Petition**

San Diego LAFCO has received the following proposals involving proposals involving a special district submitted by petition of the registered voters or landowners:

- “Lomas De Oro Court Change of Organization” |  
Annexation to the Leucadia Wastewater District Detachment (CO19-01)
- “Salem–Synder Road Change of Organization” |  
Annexation to the Otay Water District Annexation (CO19-02)
- “Bonsingnore–Guava Lane Reorganization” |  
Annexation to the Otay Water District Annexation (RO19-03)
- “Ortega–Olde Highway 80 Change of Organization” |  
Annexation to the San Diego County Sanitation District Annexation (CO19-04)
- “Van Buren–Austin Drive Change of Organization” |  
Annexation to the San Diego County Sanitation District Annexation (CO19-05) <sup>4</sup>

This petition notification starts a 60-day period for the affected districts to transmit a resolution to LAFCO requesting termination of the annexation proceedings. The resolution requesting termination of the annexation proceedings must cite financial or service related concerns supported by substantial evidence in the record as justification for the request.

**ANALYSIS**

San Diego LAFCO remains active in processing over two dozen jurisdictional change proposals and outside service requests. This includes several substantive actions and highlighted by continuing to work on post-hearing activities tied to the “Julian-Cuyamaca Fire Protection District Reorganization.” Other substantive items that are nearing hearing before the Commission include the “Pauma Valley Fire Reorganization,” which is expected to be presented no later than May 2019.

**RECOMMENDATION**

This item is presented to San Diego LAFCO for information only. It is recommended the Commission review the report with the invitation to discuss and ask questions of staff.

**ALTERNATIVES FOR ACTION**

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

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<sup>4</sup> The “Van Buren–Austin Drive Change of Organization” (CO19-05) was subsequently withdrawn by the applicant.

## PROCEDURES

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

On behalf of staff,

A handwritten signature in black ink, appearing to read 'Linda Zambito', written over a light gray rectangular background.

Linda Zambito  
Analyst I

Attachment:

- 1) Active Proposals, April 8, 2019

# SAN DIEGO LAFCO PROPOSAL SUMMARY

## Agenda Item No. 7 | Attachment One

File Number	Proposal Name   Affected Agencies	Project Manager	Proposal Summary
<b>ACTIVE PROPOSALS   <u>PENDING COMMISSION ACTION</u></b>			
1	DA08-10 "Avocado Way-Potter Annexation" - Vallecitos WD (Annexation)	Robert Barry	Proposed annexation to Vallecitos WD to obtain sewer service for two existing residences along Avocado Way. Proposal application submitted in March 2008, but deemed incomplete in April 2008 status letter. A new status letter was sent to the applicant in January 2018 stating the proposal will be considered abandoned unless notified otherwise. The current property owner has responded and conveyed their interest to proceed with the annexation. Ongoing discussions with Vallecitos WD as of 2018.
2	RO08-09 "South Mollison Ave-Snyder Reorganization" - City of El Cajon (Annexation)	Robert Barry	Proposed annexation to the City of El Cajon. The annexation area includes approximately 1.25 acres and is subject to a proposed multi-family residential project. Proposal application submitted in May 2008, but deemed incomplete in June 2008 status letter. A new status letter was sent in January 2018 to the applicant, new property owner, and City stating the proposal will be considered abandoned unless notified otherwise. No response to date.
3	RO08-15 SA08-15 "Crestlake Estates Reorganization" - San Diego County SD (Annexation) - Lakeside FPD (Annexation) - CSA 69 (Annexation)	Robert Barry	The proposed reorganization would provide sewer services to an approved Tentative Map allowing the development of 60 single-family residences. Proposal application submitted in May 2008, but deemed incomplete in June 2008 status letter. A new status letter was sent to the applicant in February 2018 stating the proposal will be considered abandoned unless notified otherwise. No response to date.
4	DA12-02 "Lorch Annexation" - Borrego WD (Annexation)	Robert Barry	Annexation of approximately 9.4 acres to the Borrego Water District to provide water service to one parcel. The site is within the adopted sphere. Proposal application submitted in March 2012, but deemed incomplete in 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.
5	RO06-17 "Tobacco Road Reorganization" - City of Escondido (Annexation)	Robert Barry	In 2006, LAFCO approved two out of service agreements to allow the City of Escondido to provide sewer service to two residences with failing septic systems located along Tobacco Road. The agreements between the City and landowners required the annexation of the two parcels. To implement this condition, a reorganization including six other parcels was submitted to LAFCO in March 2006, but deemed incomplete in April 2006 status letter. A new status letter was sent in January 2018 stating the proposal will be considered abandoned unless notified otherwise. Two of the affected landowners have responded to the letter and are now working with the City in proceeding forward in determining if the other landowners are interested/willing to proceed with the annexation at this time.



## SAN DIEGO LAFCO PROPOSAL SUMMARY

6	DA16-10	<p>“CSA 17 Harmony Grove Annexation”</p> <ul style="list-style-type: none"> <li>- CSA 17 (Annexation)</li> </ul>	Linda Zambito	<p>Proposal submittal required as cross-condition of the Rancho Santa Fe Fire Protection District Reorganization: Dissolution of CSA No. 107 (Elfin Forest/Harmony Grove). This involves requiring the initiation of the annexation of approximately 3,600 acres to CSA 17 for ambulance service. Proposal application submitted in May 2016, but deemed incomplete in June 2016 status letter. The CSA 17 Advisory Committee has opposed the annexation. A negotiated property tax exchange agreement is also necessary. LAFCO staff met with the applicant in August 2018 to provide assistance.</p>
7	RO16-11	<p>“Rancho Hills Annexation”</p> <ul style="list-style-type: none"> <li>- Rancho Santa Fe CSD (Annexation)</li> </ul>	Robert Barry	<p>Proposed annexation to Rancho Santa Fe CSD to establish sewer service to a portion of a 37-lot residential subdivision titled “Rancho Hills.” A concurrent latent power expansion for Olivenhain MWD is needed to accommodate sewer to the remaining project site. Proposal application submitted in October 2016, but deemed incomplete in November 2016 status letter. Applicant has requested the proposal processing be placed on hold. Staff has remained in contact with the applicant and is awaiting their confirmation to proceed.</p>
8	SA16-13 RO16-13	<p>“Windmill Construction Reorganization”</p> <ul style="list-style-type: none"> <li>- City of La Mesa (Annexation)</li> <li>- San Miguel FPD (Detachment)</li> <li>- CSA 135 (Detachment)</li> </ul>	Robert Barry	<p>Proposal submitted as an outside service extension request with the City of La Mesa. The proposal has transitioned into a reorganization as a City condition of service to develop a single residential lot of approximately 0.13 acre. The City of La Mesa has approved a General Plan Amendment to expand their planning boundaries and establish a land use designation for the affected territory. Proposal application submitted in October 2016, but deemed incomplete in November 2016 status letter. Staff is in contact with the applicant and City to address outstanding information needed to complete administrative review.</p>
9	SA17-07 RO17-07	<p>“San Marcos Highlands Reorganization”</p> <ul style="list-style-type: none"> <li>- City of San Marcos (Annexation)</li> <li>- San Marcos FPD (Annexation)</li> <li>- Vista FPD (Detachment)</li> <li>- Vallecitos WD (Sphere Amendment, Annexation)</li> <li>- Vista ID (Detachment)</li> <li>- Tri-City Healthcare District (Detachment)</li> <li>- Palomar Health Healthcare District (Annexation)</li> </ul>	Robert Barry	<p>Proposal involves annexation of approximately 125 acres 189-SFR development to the City of San Marcos. Proposal submitted by resolution of the City of San Marcos and involves annexation of approximately 125 acres to the City with concurrent reorganizations between the San Marcos FPD and the Vista FPD for fire protection services, and between the Vallecitos WD and Vista ID for the provision of sewer and water services. The City of San Marcos has approved development plans and environmental review for the referenced development titled “San Marcos Highlands.” The City’s approvals included a condition requiring the City and the County to execute a habitat protection agreement with State and Federal agencies for the proposal area. The submitted proposal application is incomplete pending receipt of additional documentation – including the referenced habitat document – and information from the applicant to complete staff’s analysis.</p>
10	SA18-07 OAS18-07	<p>“Carmichael Drive – Wyman Service Agreement”</p> <ul style="list-style-type: none"> <li>- City of La Mesa (Sphere Amendment, OAS)</li> </ul>	Robert Barry	<p>Proposal involves an outside service extension for the City of La Mesa to provide sewer service to one developed single-family lot. The purpose of the request is to allow the landowner to proceed with an intensity improvement to develop an accessory workshop unit, which exceeds the permitted capacity of the onsite septic system. The affected territory lies outside La Mesa’s sphere of influence. The proposal will be heard by LAFCO on the April 8, 2019 agenda.</p>

## SAN DIEGO LAFCO PROPOSAL SUMMARY

11	DD18-10	<p>“Pala Detachment”</p> <ul style="list-style-type: none"> <li>- San Luis Rey MWD (Detachment)</li> </ul>	Robert Barry	Proposed by petition of the landowners is a detachment of approximately 334.33 acres from the San Luis Rey Municipal Water District. The proposal area includes 11 unincorporated parcels that are owned by the Pala Band of Mission Indians, but are not part of the Pala Reservation area. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
12	RO18-13 SA18-13	<p>“Pauma Valley Fire Reorganization”</p> <ul style="list-style-type: none"> <li>- CSA No. 135 (Latent Powers Expansion)</li> <li>- Pauma Valley MWD (Divestiture)</li> <li>- Yuima MWD (Divestiture)</li> <li>- Mootamai MWD (Divestiture)</li> </ul>	Linda Zambito	Proposal submitted in August 2018 by resolution from Pauma Valley MWD, Yuima MWD, Mootamai MWD and CSA No. 135, involves the divestiture of fire and EMS to CSA No. 135, and requires a latent power expansion and sphere amendment. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
13	RO18-16	<p>“Stonemark Estates Reorganization”</p> <ul style="list-style-type: none"> <li>- City of Vista (Annexation)</li> <li>- Buena SD (Detachment)</li> <li>- Vista FPD (Detachment)</li> </ul>	Robert Barry	Proposal submitted in October 2018 by resolution from the City of Vista, involves the annexation of an approximately 31.75 acres and concurrent detachment from Buena Sanitation and Vista Fire Protection. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
14	CO18-18 DA18-18	<p>“Eolus Avenue – Ryan Change of Organization”</p> <ul style="list-style-type: none"> <li>- Leucadia Wastewater District (Annexation)</li> </ul>	Linda Zambito	Proposal submitted by resolution from Leucadia Wastewater District in December 2018 and involves the annexation of an approximately 0.69 acre lot. The proposal will be heard by LAFCO on the April 8, 2019 agenda...
15	RO19-01 SA19-01	<p>“Lomas De Oro Court Change of Organization” -</p> <ul style="list-style-type: none"> <li>- Leucadia Wastewater District (Detachment)</li> </ul>	Alex Vidal	Proposal submitted by landowner petition in February 2019 involving detachment from the Leucadia WWD. Affected territory includes two developed incorporated parcels totaling approximately 1.18 acres. Detachment from Leucadia WWD is requested as a City of Encinitas condition of wastewater service to the parcels. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
16	RO19-02	<p>“Salem – Snyder Road Change of Organization”</p> <ul style="list-style-type: none"> <li>- Otay Water District (Annexation)</li> </ul>	Robert Barry	Proposal submitted in February 2019 by landowner petition, involves annexation of an approximately 1.49 acre residential lot for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
17	RO19-03	<p>“Bonsignore – Guava Lane Change of Organization”</p> <ul style="list-style-type: none"> <li>- Otay Water District (Annexation)</li> </ul>	Linda Zambito	Proposal submitted in February 2019 by landowner petition, involves the annexation of an approximately 0.98 acre residential lot for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.

## SAN DIEGO LAFCO PROPOSAL SUMMARY

18	Ro19-04	<p>“Ortega – Olde Highway 80 Change of Organization”</p> <p>- San Diego County Sanitation District (Annexation)</p>	Linda Zambito	Proposal submitted in February 2019 by landowner petition, involves the annexation of two residential lots totaling approximately 5.07 acres for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis.
19	DA19-05	<p>“Van Buren – Austin Drive Change of Organization”</p> <p>- San Diego County Sanitation District (Annexation)</p> <p><b>- Note: proposal withdrawn by applicant on March 13, 2019</b></p>	Robert Barry / Alex Vidal	Proposal submitted in February 2019 by landowner petition, involves the annexation of one residential lot totaling approximately 4.92 acres for wastewater service. The submitted proposal application is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. On March 13, 2019, the proposal applicant requested the proposal be withdrawn to complete subdivision processing and environmental review with the County of San Diego.
<b>ACTIVE   POST COMMISSION ACTION</b>				
20	RO18-09	<p>“Julian – Cuyamaca FPD Reorganization”</p> <p>- Julian – Cuyamaca FPD (Dissolution)</p> <p>- CSA 135 (Latent Power Expansion)</p>	John Traylor	Reorganization involves dissolution of the approximate 52,100 acre Julian-Cuyamaca FPD and concurrent authorization for CSA No. 135 to assume fire protection and emergency medical services for the approximate 51,800 acre affected territory. The submitted proposal is incomplete and pending receipt of additional documentation and information from the applicant to complete staff’s analysis. The proposal was approved by the Commission on September 10, 2018 with a subsequent protest hearing held on October 16, 2018. Protest from registered voters is sufficient to require an election and is separately addressed as part of Agenda Item No. 15.
21	SS17-10 LP17-10 RO17-10	<p>“Harmony Grove Village Reorganization”</p> <p>- Rincon Del Diablo (Latent Power Establishment)</p> <p>- San Diego County SD (Detachment)</p>	Robert Barry	This reorganization proposal was submitted by resolution of the Rincon del Diablo Municipal Water District (MWD) and involves activation of the MWD’s latent power for sewer service within the approximate 450 acre Harmony Grove Village (HGV) service area of the San Diego County Sanitation District (SD). The HGV is presently located within the MWD’s service area and sphere of influence for water service. The proposed reorganization would detach the HGV area from the San Diego County SD, establish a service-specific sphere of influence for the detachment area, and activate the MWD’s latent sewer power to assume responsibility for the provision of sewer service within the HGV. The proposal was approved by the Commission on June 4, 2018 and is now pending recordation once all terms are satisfied.
22	DA16-15 SA16-15	<p>“Alpine Islands Annexation”</p> <p>- Alpine FPD (Annexation)</p> <p>- CSA 135 – LP Fire Area (Latent Powers Divesture)</p>	Robert Barry	Proposal involves the annexation of approximately 6,600+ acres of remaining non-jurisdictional lands within Alpine FPD’s existing sphere and as part of the continued draw-down following dissolution of Rural FPD. Proposal application submitted in September 2016, but application deemed incomplete in November 2016 status letter. Alpine FPD continues to negotiate a property tax exchange agreement with the County. The proposal was approved by the Commission on February 4, 2019 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.

## SAN DIEGO LAFCO PROPOSAL SUMMARY

23	SA16-20 LP16-20	<p>“CSA 135 Islands Reorganization”</p> <ul style="list-style-type: none"> <li>- CSA 135 – LP Fire Area (Latent Powers Expansion)</li> <li>- Bonita-Sunnyside FPD (Annexation)</li> <li>- Lakeside FPD (Annexation)</li> <li>- San Miguel FPD (Annexation)</li> <li>- Ramona MWD (Annexation)</li> </ul>	Robert Barry	<p>Proposal involves annexation of remaining unserved Islands 2, 3, and 4 within Heartland area and reorganization of local fire service territory among five agencies: CSA 135; Bonita-Sunnyside FPD; Lakeside FPD; Ramona MWD; and San Miguel FPD. Reorganization proposal submitted by resolution of the San Diego County Fire Authority. Involves 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. A concurrent amendment to add the affected territory to the subject agencies’ spheres of influence is also required to accommodate the proposed action. The proposal was approved by the Commission on 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.</p>
24	DA18-15	<p>“Menchaca-St. Paul St Annexation”</p> <ul style="list-style-type: none"> <li>- Vallecitos Water District (Annexation)</li> </ul>	Linda Zambito	<p>Proposal submitted in September 2018 by landowner petition from Vallecitos Water District, involves the annexation of an approximately 1.59 acre lot. The proposal was approved by the Commission on March 4, 2018 and is now pending recordation once all terms are satisfied.</p>
25	CO18-17 DA18-17	<p>“Nordahl Road-Diaz Change of Organization”</p> <ul style="list-style-type: none"> <li>- Vallecitos Water District (Annexation)</li> </ul>	Robert Barry	<p>Proposal submitted in October 2018 by landowner petition, involves the annexation of an approximately 3.8 acre lot. The proposal was approved by the Commission on March 4, 2018 and is now pending recordation once all terms are satisfied.</p>

### PENDING PROPOSAL SUBMITTALS

(No project manager; inquiries should be direct to Robert Barry)

26	Pending	<p>“Safari Highlands Reorganization”</p> <ul style="list-style-type: none"> <li>- City of Escondido</li> </ul>		<p>This anticipated reorganization proposal is currently undergoing development and environmental review by the City of Escondido with an expected submittal to LAFCO later in 2018. The anticipated proposal involves annexation of approximately 1,098 acres to the City for the primary purpose of developing a 550-lot residential subdivision. All of the affected territory lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.</p>
27	Pending	<p>“Rancho Lomas Verde Reorganization”</p> <ul style="list-style-type: none"> <li>- City of Vista</li> </ul>		<p>This anticipated reorganization 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 current City sphere. Due to the scope of the proposal area a comprehensive update of the City’s sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.</p>

April 8, 2019

## SAN DIEGO LAFCO PROPOSAL SUMMARY

28	Pending	"Sager Ranch Reorganization" - City of Escondido		This anticipated reorganization involves annexation of approximate 1,800 acres to the City of Escondido and concurrent detachments from CSA 135 and the Valley Center FPD. The reorganization would facilitate the development of approximately 200 acres to include 203 residential units and a 225-room resort. Portions of the project area lies outside the current City sphere. Due to the scope of the proposal area a comprehensive update of the City's sphere is warranted along with preparing the supporting municipal service review document. These and issues have been communicated to the City and are currently under joint-review with other stakeholders.
29	Pending	Valiano Specific Plan (TM-5575)		This anticipated reorganization involves the Eden Hills project and specific to accommodating sewer services (among a variety of options) for the planned development of approximately 239 acres to include 326 residential units.
30	Pending	Harmony Grove Village South (TM-626)		This anticipated reorganization involves the 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.
31	Pending	Otay Mesa Landfill – City of Chula Vista		This anticipated reorganization involves the Otay Mesa Landfill annexation to the City of Chula Vista.
32	Pending	Orchard Hills Reorganization – Vista Irrigation District & Vallecitos Water district		This anticipated reorganization involves a County of San Diego tentative map (TM5570) for a 20-lot residential subdivision on 12.5 acres. Proposed detachment from Vista ID and annexation to Vallecitos WD for wastewater and water services.



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## 8

### AGENDA REPORT Consent | Information

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Ruth Arellano, Executive Assistant

**SUBJECT:** Updated Roster for the Special Districts Advisory Committee

#### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an updated roster for the Special Districts Advisory Committee. This includes recent appointees Sheryl Landrum with the Resource Conservation District of Greater San Diego County and Larry Converse with Ramona Municipal Water District. The item is being presented to the Commission for information only.

#### BACKGROUND

##### Special Districts Advisory Committee

The Committee was created in August 1971 and tasked with providing feedback on germane topics to assist LAFCO in fulfilling its prescribed regulatory and planning functions. The Committee consists of 16 members collectively drawn from the current 59 independent special districts in San Diego County and comprise both elected and staff officials. Members serve two-year terms and are appointed by the independent special districts through an election process administered by LAFCO staff. Committee policies also allow the Chair to appoint members to fill unexpired terms as needed.

The Committee currently meets quarterly in March, June, September, and December.

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Jim Desmond</b> County of San Diego	<b>Catherine Blakespear</b> City of Encinitas	<b>Mark Kersey</b> City of San Diego	<b>Chair Jo MacKenzie</b> Visita Irrigation	<b>Andy Vanderlaan</b> General Public
	<b>Dianne Jacob</b> County of San Diego	<b>Bill Wells</b> City of El Cajon	<b>Chris Cate, Alternate</b> City of San Diego	<b>Vice Chair Ed Sprague</b> Olivenhain Municipal Water	<b>Harry Mathis, Alternate</b> General Public
	<b>Greg Cox, Alternate</b> County of San Diego	<b>Serge Dedina, Alternate</b> City Selection Committee		<b>Judy Hanson, Alternate</b> Leucadia Wastewater	

**Recent Changes**

Three members of the Committee recently resigned as a result of leaving their special districts. These three members are Tony Michel with Rancho Santa Fe Fire Protection District, Teresa Thomas with South Bay Irrigation District, and Dennis Shepard with North County Cemetery District. All three left unexpired terms. Chair Thorner, accordingly, has filled two of these three terms with Sheryl Landrum with the Resource Conservation District of Greater San Diego County and Larry Converse with Ramona Municipal Water District. A third appointment to fill the remaining vacant term on the Committee is pending.

**DISCUSSION**

This item is for San Diego LAFCO to receive an updated Committee roster for information only. This item also serves as an opportunity for the Commission to provide direction through the Executive Officer on any topics or related matters for Committee review.

The current Committee roster follows.

Special District Advisory Committee   Current Roster				
As of March 15, 2019				
Name	Agency	Position	Start	Term Expires
Chair Kimberly Thorner	Olivenhain MWD	General Manager	Nov 2007	Oct 2019
Vice Chair Julia Nygaard	Tri-City HCD	Boardmember	Feb 2015	Oct 2020
Gary Arrant	Valley Center MWD	General Manager	Mar 1980	Oct 2020
Jack Bebee	Fallbrook PUD	General Manager	Mar 2016	Oct 2019
Larry Converse	Ramona MWD	Fire Chief	Mar 2019	Oct 2020
Bill Haynor	Whispering Palms CSD	Boardmember	Jan 2013	Oct 2020
Tom Kennedy	Rainbow MWD	General Manager	Mar 2016	Oct 2019
Sheryl Landrum	RCD of Greater San Diego	General Manager	Mar 2019	Oct 2020
Erin Lump	Rincon de Diablo MWD	Boardmember	Mar 2016	Oct 2019
John Pastore	Rancho Santa Fe CSD	General Manager	Mar 1985	Oct 2019
Tom Pocklington	Bonita-Sunnyside FPD	Boardmember	Mar 1990	Oct 2019
Mark Robak	Otay WD	Boardmember	Nov 2017	Oct 2019
Augie Scalzitti	Padre Dam MWD	Boardmember	Dec 2003	Oct 2020
Joel Scalzitti	Helix WD	Boardmember	Feb 2015	Oct 2020
Robert Thomas	Pomerado CD	Boardmember	Mar 2016	Oct 2019

**ANALYSIS**

None.

**RECOMMENDATION**

This item is presented to San Diego LAFCO for information only. It is recommended the Commission review the item and provide feedback to staff as needed.

## **ALTERNATIVES FOR ACTION**

This item is being presented for information only; 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

Attachments: none



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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 9

## AGENDA REPORT Public Hearing | Action

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT:** Adoption of Final Workplan and Budget for 2019-2020

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider recommendations from the Executive Officer in adopting a final workplan and budget for 2019-2020. Both items return following their adoption in draft-form in February and subsequent public review. The final workplan is identical to the draft and outlines over two dozen specific project goals with one-third tied to preparing scheduled municipal service reviews. The final budget draws on the workplan and is nearly identical to the draft with the exception of adding \$3,000 in expenses to accommodate an increase in membership dues and contributes to an updated budget expense of \$1,916,300; the latter of which produces an overall increase of \$9,607 or 0.5%. A matching amount of revenues is also budgeted with agency contributions increasing by 2.3% in step with reducing the amount of reserves used as offsetting revenues.

### BACKGROUND

#### Annual Budget Process

San Diego LAFCO is responsible under State law to adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. A mandatory review by all local funding agencies is required between the two adoption periods. State law also specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year

#### Administration

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Greg Cox, Alternate  
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Catherine Blakespear  
City of Encinitas

Bill Wells  
City of El Cajon

Serge Dedina, Alternate  
City of Imperial Beach

Mark Kersey  
City of San Diego

Chris Cate, Alternate  
City of San Diego

Chair Jo MacKenzie  
Visita Irrigation

Vice Chair Ed Sprague  
Olivenhain Municipal Water

Judy Hanson, Alternate  
Leucadia Wastewater

Andy Vanderlaan  
General Public

Harry Mathis, Alternate  
General Public

unless LAFCO formally finds any reduced costs will nonetheless allow the Commission to meet its prescribed regulatory and planning duties.

### Prescriptive Funding Sources

State law mandates operating costs for LAFCOs shall be annually funded among their represented agency membership categories. San Diego LAFCO's operating costs, accordingly, are divided among four distinct membership categories with the largest apportionment assigned to the County of San Diego at 28.6%. The independent special districts and cities less the City of San Diego are also apportioned funding percentages of 28.6% with individual amounts divided thereafter based on total revenue shares in a given fiscal year. The City of San Diego – and based on special legislation providing the City a dedicated seat on LAFCO – is responsible for the remaining 14.3% of annual operating costs.

### Current Operating Budget

San Diego LAFCO's adopted final budget for 2018-2019 totals \$1.906 million. This amount represents the total approved operating expenditures divided between three active expense units: salaries and benefits; service and supplies; and other. A matching revenue total was also budgeted to provide a projected year-end net of \$0 and with the purposeful aid of a planned \$0.110 million drawn down on reserves. Budgeted revenues are divided between four active units: intergovernmental contributions; service charges; earnings; and miscellaneous. The unrestricted fund balance as of July 1, 2018 was \$1.607 million.

Budgeted FY19 Expenses	Budgeted FY19 Revenues	Budgeted FY19 Year End Balance	Beginning FY19 Fund Balance
\$1.906	\$1.906	\$0	\$1.607

Amounts in millions

## DISCUSSION

This agenda item is for San Diego LAFCO to consider recommendations from the Executive Officer in adopting a final (a) workplan and (b) operating budget for the upcoming fiscal year. Both items return to the Commission from their initial presentation and adoption in February and subsequent 45-day public review and comment period. This included providing direct notice to all 78 local funding agencies as required under statute as well as presenting to the Special Districts Advisory Committee; a process that did not generate any formal comments with additional details noted.<sup>1</sup> A summary discussion of the main components underlying both items – including revisions made since February – follows.

<sup>1</sup> The Special Districts Advisory Committee met on March 15, 2019 and communicated its support for the Commission to continue to invest resources as provided in the workplan to perform community outreach ahead of the municipal service reviews. The Committee also encourages the Commission to continue to incorporate modest budget increases each year as needed and avoid deferrals leading to more significant one-year adjustments. The Committee added it would be appropriate for the Commission to continue its practice of providing credits back to the funding agencies consisting of any excess reserve monies with the understanding a comprehensive review of the fund balance policy is separately underway.

## Summary | Final Workplan in 2019-2020

The final workplan outlines 25 specific projects divided between statutory (legislative directives) and administrative (discretionary matters) activities. The projects are also listed in sequence by assigned priority between high, moderate, and low. No changes have been made to the workplan since the draft presentation in February. A summary of all high priority projects follow with the entire listing provided in Attachment One (Exhibit A).

- No. 1 | Priority Proposals (Continual)  
There are two active proposals on file with LAFCO that involve substantive jurisdictional changes that are expected to rollover into 2019-2020 and involve the “San Marcos Highlands Reorganization” and the “CSA No. 17 Harmony Grove Annexation.” Other priority proposals expected to be filed in 2019-2020 involve the City of Escondido (Safari Highlands), Chula Vista (Otay Landfill), City of Vista (Rancho Lomas Verdes), Fallbrook Public Utility District (latent power activation), and Rincon del Diablo Municipal Water District (Valiano).
- No. 2 | Targeted LAFCO Presentations (Continual)  
This project involves introductory overviews of LAFCO’s duties and responsibilities to local boards, councils, and community groups as part of a renewed outreach program. The project also includes emphasizing outreach to communities ahead of scheduled municipal service reviews.
- No. 3 | MSR-SOI for the Fallbrook Region (New)  
This project is drawn from the adopted study schedule and involves preparing a regional municipal service review covering the Fallbrook Public Utility District (PUD), Rainbow Municipal Water District, San Luis Rey Municipal Water District, and North County Fire Protection District. The municipal service review will inform subsequent sphere of influence updates for the agencies and – among other items – is expected to proactively consider a request by Fallbrook PUD to activate its latent power to provide park and recreation services.
- No. 4 | MSR-SOI for Resource Conservation Services (New)  
This project is drawn from the adopted study schedule and involves a countywide municipal service review on resource conservation services. The municipal service review will inform subsequent sphere of influence updates for the three affected agencies (Greater San Diego County, Mission, and Upper San Luis Rey) and – among other items – is expected to proactively consider opportunities to align spheres to reflect historical service practices and/or consolidation options.

- No. 5 | MSR-SOI for County Fire Services (New)  
This project is drawn from the adopted study schedule and involves a comprehensive study of fire services provided by the County of San Diego through County Service Area No. 135. The municipal service review will inform a subsequent sphere of influence update and is expected to explore the merits of a reorganization to align with the recent voter-approved amendment to the County Charter memorializing fire protection as a County service responsibility.
- No. 6 | Memorandum of Understanding with the County (Continued)  
This project is being continued from the current fiscal year and involves updating the existing memorandum of understanding (MOU) dated from 1974 between LAFCO and the County. The purpose of the update is to reflect current agency relationships and needs, and among other items formalize participation in County-sponsored healthcare and retirement services for LAFCO employees.
- No. 7 | MSR-SOI for San Marcos Region (Continued)  
This project is being continued from the current fiscal year per the adopted study schedule. It involves a comprehensive study of the San Marcos region and specifically the City of San Marcos, San Marcos Fire Protection District, and Vallecitos Water District. This project is being prepared in parallel to a separate study involving the Vista region given overlapping service provision.
- No. 8 | MSR-SOI for Vista Region (Continued)  
This project is being continued from the current fiscal year per the adopted study schedule. It involves a comprehensive study of the Vista region and specifically the City of Vista, Vista Irrigation District, Vista Fire Protection District, and Buena Sanitation District. This project is being prepared in parallel to a separate study involving the San Marcos region given overlapping service provision.
- No. 9 | Policy Review on Outside Services (New)  
This project is part of a periodical review of existing policies to consider whether changes are appropriate to address changes in law and/or practices as well as current membership preferences. A policy review on overseeing outside service extensions under Government Code Section 56133 has been identified by the Executive Officer meriting attention and specifically establishing local implementing criteria – including definitions – to explicitly synch with membership preferences.
- No. 10 | Cities Advisory Committee (New)  
This project aims to resurrect the Cities Advisory Committee to provide timely feedback to LAFCO involving current and pending projects affecting the 18 cities in San Diego County. The Cities Advisory Committee – which has been dormant for several years – serves as opportunity for LAFCO to reengage the cities with specific focus to coordinate local planning efforts into the study schedule.

## Summary | Final Operating Budget in 2019-2020

The final operating budget developed by the Executive Officer in conjunction with funding the referenced workplan sets expenses at \$1,916,300; a net increase of \$9,607 or 0.5% over the current fiscal year. The operating expense total – which incorporates the addition of \$3,000 more since February to accommodate an increase in CALAFCO membership dues resulting from recent Board action – is divided between labor and non-labor costs at an approximate 64-to-36 percent split.<sup>2</sup> Savings in non-labor costs – and most notably involving professional services – underlie the overall decrease in expenses and attributed to continuing the planned insourcing of work activities through staff that began last year that would otherwise be outsourced to consultants. A matching amount of revenues is budgeted and as such also reflects a corresponding increase over the current fiscal year with one notable distinction. This distinction was also reflected in the draft and involves increasing agency contributions by \$38,806 or 2.3% to cover the difference in purposefully reducing the use of off-setting reserves by one-third from \$110,000 in 2018-2019 to \$72,600.<sup>3</sup>

## ANALYSIS

The final workplan and budget prepared by the Executive Officer are substantially identical to the draft versions presented and adopted by San Diego LAFCO at its February meeting. The final workplan informs the budget and outlines 25 project goals for the fiscal year that responsively addresses San Diego LAFCO's expanding regulatory and planning responsibilities. This includes incorporating the second year of the current study schedule with an emphasis on the North County region paired with a review of CSA No. 135 that is expected to assess reorganization options in conjunction with the recent County Charter amendment. The final operating budget supports the workplan and provides for a moderate overall increase in operating expenses from \$1,906,694 to \$1,916,300; a difference of \$9,607 or 0.5%. The increase is largely tied to adjustments in salaries and benefits and attributed to continuing to implement the decision ahead of the current fiscal year to restore historical staffing levels and insource projects that would otherwise be directed to consultants. Additional monies in salaries are also budgeted to expand per diem coverage to include meetings of CALAFCO and the Southern Region of LAFCOs.<sup>4</sup> The related savings in consultant costs – markedly – is helping to absorb the added expenses in salaries and benefits as well as provide additional resources to invest in more staff development with additional details footnoted.<sup>5</sup> Reducing the use of reserves as off-setting revenues by one-third over the current fiscal year also serves to balance the Commission's interest to continue to square operating costs with agency contributions while providing credits when excess unassigned monies are available.

<sup>2</sup> On March 1, 2019 the CALAFCO Board approved an emergency increase in all membership dues by 16.25% to eliminate an existing budget deficit. This action increases San Diego LAFCO's annual dues by \$1,500. The Board also communicated an additional increase may be presented for membership approval in September at the Annual Conference, and if approved may be prorated as a supplemental bill. Accordingly, staff recommends budgeting an additional \$3,000 with any excess funds being available to assign for payment in 2020-2021.

<sup>3</sup> The final budget's revenues reflect an increase of \$3,000 since the February draft was presented and parallels the change in operating expenses to accommodate the increase in CALAFCO membership dues.

<sup>4</sup> Expanding coverage of per diems would require a policy amendment.

<sup>5</sup> The final budget includes \$204,505 in professional services and represents an overall decrease over the current fiscal year of (\$54,605) or (21%). Budgeted funds are divided between the following services: \$88,800 for legal; \$83,490 for general consulting (municipal service review support); \$24,000 for accounting; and \$8,215 for other.

## RECOMMENDATION

It is recommended San Diego LAFCO approve the final workplan and budget as presented with any desired changes. This recommendation is consistent with taking the actions identified in the proceeding section as Alternate One. This would satisfy the Commission's obligation to adopt a final budget by June 15<sup>th</sup> while providing the funding agencies sufficient time to make associated payment arrangements.

## ALTERNATIVES FOR ACTION

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

### Alternative One (recommended):

- (a) Adopt the attached resolution provided as Attachment One approving the final workplan (Exhibit A) and final budget (Exhibit B) for 2019-2020 with any changes.
- (b) Authorize the Executive Officer to request the Auditor-Controller's Office calculate and apportion \$1,703,700 in total agency contributions by July 1<sup>st</sup>.

### Alternative Two:

Continue consideration of the item to its next regular meeting scheduled for May 6<sup>th</sup> and provide direction to the Executive Officer with respect to any additional information requests.

## PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda for action as part of a noticed public hearing. The following procedures, accordingly, are recommended in the Commission's consideration.

- 1) Receive verbal report from staff unless waived;
- 2) Invite questions from the Commission;
- 3) Open the hearing and invite comments from audience members (mandatory); and
- 4) Close the public hearing, discuss item, and consider recommendation.

Respectfully,



Keene Simonds  
Executive Officer

### Attachment:

- 1) Draft Resolution
  - Exhibit A: Workplan
  - Exhibit B: Budget

RESOLUTION No \_\_\_\_

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

ADOPTING A FINAL WORKPLAN AND BUDGET  
FISCAL YEAR 2019-2020

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the San Diego Local Agency Formation Commission (“Commission”) to perform certain regulatory and planning duties for purposes of facilitating efficient and accountable local government; and

**WHEREAS**, the Commission is required to annually adopt proposed and final budgets by May 1<sup>st</sup> and June 15<sup>th</sup>, respectively; and

**WHEREAS**, the Executive Officer’s written report and recommendations on a proposed workplan and budget for 2019-2020 was presented and adopted by the Commission on February 4, 2019 and subsequently circulated for review to all funding agencies in the manner provided by law; and

**WHEREAS**, the Executive Officer has prepared a written report and recommendations on a final workplan and budget for 2019-2020; and

**WHEREAS**, the Commission has heard and fully considered all the evidence on a final workplan and budget for 2019-2020 presented at a public hearing held on April 8, 2019;

**WHEREAS**, the adoption of a workplan and budget are not projects under the California Environmental Quality Act.

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

1. The final workplan for 2019-2020 shown as Exhibit A is APPROVED.
2. The final operating budget for 2019-2020 shown as Exhibit B is APPROVED.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on April 8, 2019 by the following vote:

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Abstain: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Keene Simonds  
Executive Officer



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## San Diego County Local Agency Formation Commission

### Regional Service Planning | Subdivision of the State of California

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## 2019-2020 Workplan

### Introduction:

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

### Objective:

This document represents San Diego LAFCO's ("Commission") formal 2019-2020 Workplan. The Workplan draws on the recommendations of the Executive Officer as vetted and approved by the Commission. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year to address changes in resources and or priorities and to carry-forward projects into subsequent years.

### Executive Summary:

The 2019-2020 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. This includes continuing work on existing projects established – but not yet completed – from earlier fiscal years and marked by completing municipal service reviews for the Vista and San Marcos regions. New priority municipal service reviews involving the Fallbrook region, resource conservation services, and County Service Area No. 135 are also included as well as performing a policy review on outside service extensions. Other high priority projects include working with the County of San Diego to update an existing memorandum of understanding between the two agencies and preparing a policy review on outside service extensions with a focus on establishing local definitions and exemptions.

Priority	Level	Type	Project	Description and Key Issues
1	High	Statutory	High Priority Proposals	Continual   San Marcos (Highlands), Escondido (Safari Highlands), Chula Vista (Otay Landfill), Rincon Del Diablo MWD (Valiano)
2	High	Administrative	Targeted LAFCO Presentations	Continual   Public outreach; emphasis on informing stakeholders ahead of MSR work
3	High	Statutory	MSR   Fallbrook Region	Reviews of Fallbrook PUD, Rainbow MWD, San Luis Rey MWD, & North County FPD; address latent power query by Fallbrook PUD
4	High	Statutory	MSR   Resource Conservation	Reviews of Mission RCD, Upper San Luis Rey RCD, & Greater San Diego; address 56133 issues and consolidation opportunities
5	High	Statutory	MSR   CSA No. 135	Agency-specific review; explore governance options given recent County Charter amendment codifying fire protection services
6	High	Administrative	MOU with County	Update and expand current MOU from 1974; reflect current agency relationships and needs
7	High	Statutory	MSR   San Marcos Region	Reviews of San Marcos, San Marcos FPD, and Vallecitos WD
8	High	Statutory	MSR   Vista Region	Reviews of Vista, Vista ID, Vista FPD, and Buena Sanitation
9	High	Administrative	Policy Review   Outside Services	Update policies involving outside service extensions under 56133; establish local definitions and exemptions
10	High	Administrative	Cities Advisory Committee	Re-establish dormant Cities Advisory Committee in conjunction with informing Study Schedule and other germane topics
11	Moderate	Administrative	RFP for Auditing Services	Comply with State law and restrictions on using same auditor for more than six consecutive fiscal years
12	Moderate	Administrative	2018-2019 Audit	Issue financial statements for 2018-2019; best practice and preceded by RFP (Item No. 11)
13	Moderate	Statutory	MSR   Pauma Valley	Pauma MWD, Pauma CSD, Yuima MWD, Mootamai MWD, and Rincon Ranch CSD
14	Moderate	Statutory	MSR   Valley Center Region	Valley Center MWD, Valley Center CSD, and Valley Center FPD
15	Moderate	Statutory	MSR   Poway Region	Review is agency-specific to Poway
16	Moderate	Statutory	MSR   Ramona Region	Review is agency-specific to Ramona MWD
17	Moderate	Administrative	Update Application Procedures	Streamline existing packet to be more user-friendly; address new statutory requirements
18	Moderate	Administrative	Special District Advisory Committee	Maintain feedback by conducting quarterly meetings as well as establishing formal reporting system back to Commission
19	Moderate	Administrative	Video Recording	Establish video recording of Commission meetings and online posting to expand outreach services
20	Moderate	Administrative	CALAFCO	Participate in CALAFCO through the Board, Leg Committee, and Annual Workshop and Conference
21	Low	Administrative	Informational Report on SGMA	State Groundwater Management Act (SGMA) implementation in San Diego County relative to LAFCO duties/interests
22	Low	Administrative	SOI/MSR Annual Report	Prepare annual report to serve as living record of all sphere actions in San Diego County
23	Low	Administrative	LAFCO Brochure	Restart project to digitize LAFCO records; incorporate online public access
24	Low	Administrative	Local Agency Directory	User-friendly publication identifying and summarizing local governmental agencies and services
25	Low	Administrative	Social Media Policies and Protocols	Establish policies and procedures to expand outreach to capture alternate media forums



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

Agenda Item No. 9 |  
Attachment One (Exhibit B)

## OPERATING EXPENSES

### Salaries and Benefits Unit

Account No. Description

51110-51310	Salaries and Wages
51410	Retirement - SDCERA
51415	Retirement - OPEB
51421	Retirement - OPEB Bonds
51450	Payroll Taxes (Social and Medicare)
51510-51550	Group Insurance (Health and Dental)
51560	Unemployment Insurance

### Services and Supplies Unit

Account No. Description

52074	Telecommunications
52178	Vehicle - Maintenance
52182	Vehicle - Fuel
52270	Memberships
52304	Miscellaneous
52330	Office: General
52332	Office: Postage
52334	Office: Printing
52336	Office: Books and Guidelines
52338	Office: Drafting/Engineering
52344	Office: Supplies and Furnishings
52354	Office: County Mail Services
52370	Professional Services: Consultants
52490	Publications and Legal Notices
52504	Leases: Equipment
52530	Leases: Office Space
52550	Special Expenses: County Overhead
52562	Special Expenses: New Hire Backgrounds
52566	Special Expenses: Minor Equipment
52602	Computer Training
52610	Travel and Training   In County
52612	Employee Auto
52622	Travel and Training   Out of County
52704-52722	Reimbursements: Network
52723	Reimbursements: Data Center
52725	Reimbursements: Financial Systems
52726-52732	Reimbursements: Desktop Computing
52734	Reimbursements: Help Desk
52750-52754	Reimbursements: Catalog Equipment
52758	Reimbursements: Vehicle Lease

FY 2016-2017		FY 2017-2018		FY 2018-2019		FY 2019-2020		
Adopted	Actual	Adopted	Actual	Adopted	Estimated	Proposed	Difference	
1,073,177	538,165	1,100,599	617,838	689,719	641,200	752,780	63,061	9.1%
-	187,262	-	166,680	239,780	230,440	258,148	18,368	7.7%
-	9,323	-	7,256	10,560	10,098	10,539	(20)	-0.2%
-	34,496	-	27,841	41,598	38,636	40,321	(1,278)	-3.1%
-	36,919	-	35,613	48,958	45,253	53,393	4,435	9.1%
-	69,440	-	74,615	96,958	91,099	100,234	3,276	3.4%
-	154	-	235	4,032	3,690	3,769	(263)	-6.5%
1,073,177	875,759	1,100,599	930,078	1,131,604	1,060,416	1,219,183	87,579	7.7%
500	-	500	2,266	2,500	3,496	3,600	1,100	44.0%
2,000	1,456	2,000	489	2,000	1,022	1,500	(500)	-25.0%
1,500	1,096	1,500	401	1,500	882	1,000	(500)	-33.3%
10,107	8,107	15,000	11,328	13,000	12,503	28,139	15,139	116.5%
50	-	50	6,001	50	-	50	-	0.0%
1,000	-	1,000	15,253	8,500	6,290	7,420	(1,080)	-12.7%
500	-	500	-	500	-	500	-	0.0%
7,500	20	7,500	-	10,000	5,502	10,000	-	0.0%
2,000	-	2,000	3,609	2,000	921	2,000	-	0.0%
50	-	50	-	50	-	50	-	0.0%
17,500	10,806	18,000	13,140	17,500	12,203	17,800	300	1.7%
9,500	8,220	9,000	10,037	9,000	28,949	10,000	1,000	11.1%
402,500	408,717	382,500	326,850	259,110	450,000	204,505	(54,605)	-21.1%
2,500	57	7,500	7,085	5,000	6,560	4,650	(350)	-7.0%
-	4,779	4,000	5,498	6,500	6,262	6,600	100	1.5%
77,000	75,722	80,000	79,789	79,880	79,590	82,657	2,777	3.5%
100,000	196,412	155,000	47,826	155,000	109,272	100,896	(54,104)	-34.9%
-	-	-	572	-	1,085	-	-	0.0%
1,000	-	1,000	1,164	1,000	3,538	1,000	-	0.0%
2,000	-	2,000	-	2,000	-	2,000	-	0.0%
500	-	500	11,301	5,000	1,792	4,500	(500)	-10.0%
10,000	8,802	10,000	8,724	10,000	10,000	9,700	(300)	-3.0%
1,000	-	1,000	14,390	10,000	26,238	23,550	13,550	135.5%
33,500	29,140	31,500	27,137	30,000	28,804	30,000	-	0.0%
51,000	52,403	45,000	48,214	45,000	33,139	45,000	-	0.0%
6,000	20,940	20,000	18,888	20,000	30,667	20,000	-	0.0%
40,200	28,248	27,700	47,462	25,000	30,882	25,000	-	0.0%
2,500	4,531	2,500	3,154	3,000	3,177	3,000	-	0.0%
117,480	27,121	51,000	23,973	45,000	41,123	45,000	-	0.0%
2,500	166	3,000	1,986	2,000	1,986	2,000	-	0.0%
901,887	886,743	885,100	736,535	770,090	935,884	692,117	(77,973)	-10.0%

## OPERATING EXPENSES CONTINUED...

### Other Units

Account No.	Description								
53585	Equipment Depreciation	2,500	2,019	2,500	2,019	2,500	2,500	2,500	0.0%
54955-54961	Fixed Assets	1,500	-	2,500	-	2,500	-	2,500	0.0%
		4,000	2,019	5,000	2,019	5,000	2,500	5,000	0.0%
	EXPENSE TOTALS	1,979,064	1,764,521	1,986,899	1,668,632	1,906,694	1,998,801	1,916,300	9,607 0.5%

## OPERATING REVENUES

### Intergovernmental Unit

Account No.	Description	FY 2016-2017		FY 2017-2018		FY 2018-2019		FY 2019-2020		
		Adopted	Actual	Adopted	Actual	Adopted	Estimated	Proposed		Difference
45918.1	Apportionments   County	451,018	451,018	467,171	467,171	475,684	475,684	486,771	11,087	2.3%
45918.2	Apportionments   Cities (less SD)	451,018	451,018	467,171	467,171	475,684	475,684	486,771	11,087	2.3%
45918.3	Apportionments   City of San Diego	225,509	225,509	233,586	233,586	237,842	237,842	243,386	5,544	2.3%
45918.4	Apportionments   Special Districts	451,018	450,090	467,171	467,171	475,684	475,684	486,771	11,087	2.3%
		1,578,564	1,577,636	1,635,099	1,635,099	1,664,894	1,664,894	1,703,700	38,806	2.3%

### Service Charges Unit

Account No.	Description									
46234	Service Charges	150,000	186,717	125,000	168,009	125,000	80,000	125,000	-	0.0%
		150,000	186,717	125,000	168,009	125,000	80,000	125,000	-	0.0%

### Earnings Unit

Account No.	Description									
44105	Interest and Dividends	5,500	-	6,800	15,535	6,800	22,524	15,000	8,200	120.6%
		5,500	-	6,800	15,535	6,800	22,524	15,000	8,200	120.6%

### Miscellaneous Unit

Account No.	Description									
47540	Transfer from Fund Balance	250,000	-	220,000	-	110,000	110,000	72,600	(37,400)	-34.0%
		250,000	-	220,000	-	110,000	110,000	72,600	(37,400)	-34.0%
	REVENUE TOTALS	1,984,064	1,764,353	1,986,899	1,818,643	1,906,694	1,877,418	1,916,300	9,606	0.5%

OPERATING NET	5,000	(168)	-	150,011	-	(121,383)	-
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### FUND BALANCE | JUNE 30th

Committed	175,000	-	175,000
Assigned	97,075	75,000	75,000
Unassigned	1,136,620	1,394,699	1,236,103
	1,408,695	1,469,699	1,486,103



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

10

**AGENDA REPORT**  
Public Hearing | Action

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Robert Barry, Chief Policy Analyst

**SUBJECT:** **Proposed “Wyman Service Agreement” and Sphere Amendment |  
Outside Wastewater Service Extension by the City of La Mesa (SA/OAS18-07)**

**SUMMARY**

The San Diego County Local Agency Formation Commission (LAFCO) will consider a request to authorize the City of La Mesa to enter into a contract with a landowner to provide outside wastewater service to 0.73 acres of unincorporated territory in Valle De Oro. The affected territory is developed with a single-family residence utilizing an underground septic disposal system. The purpose of the request is to facilitate the development of an accessory structure that would otherwise be prohibited given impacts to the septic system. A concurrent amendment to add the affected territory to the City of La Mesa’s sphere of influence is required to facilitate the outside service extension in lieu of making a public health or safety finding. Staff recommends approval of the request with a concurrent sphere of influence amendment. Standard terms are also recommended.

**BACKGROUND**

**Applicant Request**

San Diego LAFCO has received a request from an interested landowner (Wyman) seeking Commission authorization to enter into an agreement with the City of La Mesa to establish outside wastewater service to unincorporated property in Valle De Oro. The affected

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Jim Desmond</b> County of San Diego	<b>Catherine Blakespear</b> City of Encinitas	<b>Mark Kersey</b> City of San Diego	<b>Chair Jo MacKenzie</b> Visita Irrigation	<b>Andy Vanderlaan</b> General Public
	<b>Dianne Jacob</b> County of San Diego	<b>Bill Wells</b> City of El Cajon	<b>Chris Cate, Alternate</b> City of San Diego	<b>Vice Chair Ed Sprague</b> Olivenhain Municipal Water	<b>Harry Mathis, Alternate</b> General Public
	<b>Greg Cox, Alternate</b> County of San Diego	<b>Serge Dedina, Alternate</b> City of Imperial Beach		<b>Judy Hanson, Alternate</b> Leucadia Wastewater	



territory consists of one legal parcel totaling 0.73 acres at 9319 Carmichael Drive south of Lemon Avenue, west of Avocado Avenue, north of Edgewood Drive, and east of State Highway 125. An existing and occupied 2,000 square-foot single-family residence comprises the affected territory and presently dependent on an onsite septic system. The County of San Diego Assessor's Office identifies the subject parcel as 495-320-45.

### Affected Territory

- One unincorporated parcel located in Valle de Oro (0.73 acres in size)
- Developed with a single-family residence located at 9313 Carmichael Drive
- Immediately adjacent to the City of La Mesa's sphere
- Currently on septic



### Subject Agencies

The request before San Diego LAFCO involves one subject agency: City of La Mesa.

- The City of La Mesa was incorporated in 1912 and presently includes an estimated population of 58,769 over an approximate 9.0 square mile jurisdictional boundary in eastern San Diego County. La Mesa is a full-service municipality and provides a range of public services with the notable exception of water.<sup>1</sup> La Mesa's jurisdictional boundary is bordered by the City of San Diego to the north and west, City of El Cajon to the northeast, unincorporated communities of Valle de Oro and Spring Valley to the east, and the City of Lemon Grove to the south. Key infrastructure germane to the request before the Commission includes 155 miles of wastewater lines that collect and convey wastewater for treatment and discharge by City of San Diego's Point Loma Wastewater Treatment Plant through the METRO Wastewater Authority; a joint-

<sup>1</sup> Water Service in the City of La Mesa is provided by the Helix Water District.

powers co-membered by the La Mesa and 12 other jurisdictions. LAFCO most recently updated La Mesa's sphere of influence in 2008 to continue to exclude any non-jurisdictional acres. The City of La Mesa's net position as of the last audited statements in 2017-2018 totaled \$169.2 million with an accrual unrestricted balance of (\$23.1 million). The unassigned general fund balance totaled \$31.5 million and sufficient to cover approximately eight months of normal operating costs based on recent actuals.

### **Affected Local Agencies**

The affected territory lies within the jurisdictional boundaries of the following local agencies directly subject to San Diego LAFCO.

- County Service Area No. 135 (Regional Communications)
- Grossmont Healthcare District
- Helix Water District
- San Diego County Water Authority
- Metropolitan Water District of Southern California
- San Miguel Consolidated Fire Protection District

### **DISCUSSION**

This item is for San Diego LAFCO to consider approving an interested landowner's request for the City of La Mesa to provide outside wastewater services by contract to the affected territory. The Commission may also consider applying discretionary conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion with respect to the request purpose and Commission focus follows.

### **Request Purpose**

The purpose of the request is to extend City of La Mesa wastewater service by contractual agreement to an existing single-family residence located outside of the City's incorporated boundary. The unincorporated residence utilizes an underground septic disposal system that is considered undersized and substandard for the property but is currently functional for present demands. The landowner wishes to construct an accessory structure on the property and the County Department of Environmental Health (DEH) has determined that the proposed construction would negatively impact the existing septic system. Due to existing slope conditions and limited available space for expansion or repair, DEH has advised the landowner to consider connection to public wastewater as an alternative to repairing and/or replacing the undersized septic system. The unincorporated property is not located within a public wastewater service provider, and as such the landowner has requested approval for a contractual wastewater service agreement with the adjacent City of La Mesa. La Mesa has conditionally agreed to extend wastewater service to the property and has provided a draft wastewater service agreement that would waive the landowner's right to oppose a future annexation of the property if initiated.



## Development Potential

The 0.73 acre affected territory is planned for semi-rural single-family residential use under the County of San Diego General Plan and its baseline standard of two dwelling units per acre. These uses are memorialized under the local Valle De Oro Community Plan, which zones the affected territory as rural-residential and requires a minimum lot size of 0.50 acres. This zoning assignment restricts the affected territory from additional residential density. Following development of the proposed accessory structure underlying the request before the Commission no additional intensity would be allowed.

## Commission Focus

Staff has identified three central and sequential policy items for San Diego LAFCO in considering the merits of the requested approval for the City of La Mesa to contractually extend outside wastewater services to the affected territory. These central policy items are the stand-alone merits of (a) accommodating the extension – now or in the future – through a sphere of influence amendment or public threat finding, (b) timing of the requested extension itself, and (c) whether discretionary terms are appropriate. The Commission must also consider other relevant statutes of LAFCO law as detailed.

## ANALYSIS

The analysis of the request is organized into two subsections. The first subsection considers the three central policy issues introduced in the preceding section. This pertains to accommodating the extension under LAFCO law, evaluating the timing of the extension, and appropriateness of applying potential terms. The second subsection considers policy issues required by other applicable State statutes.

## Central Policy Items

### Item No. 1 |

#### **Accommodation Under Government Code Section 56133 (Sphere of Influence Amendment v. Public Threat Finding)**

Government Code Section 56133 is the statute outlining LAFCOs' regulatory role in overseeing requests to allow cities and special districts to enter into contracts to provide municipal services outside their jurisdictional boundaries. The statute is prefaced on the legislative assumption that outside service contracts generally serve as interim solutions in establishing needed and/or otherwise merited municipal services in anticipation of later annexations. To this end, the statute limits LAFCOs' approval of outside service extensions for lands located within the affected agencies' spheres of influence with the exception of addressing documented threats to public health or safety. The statute specifies the following two requirements must be satisfied for LAFCOs to make public health or safety findings and authorize outside service extensions beyond the agencies' sphere of influence.

- The entity applying for approval has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents.
- LAFCO has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, which has filed a map and a statement of its service capabilities with the commission.

San Diego LAFCO policies and procedures for implementing Section 56133 generally rely on the evaluation and determinations of the County DEH when documenting present or impending health and safety threats.<sup>2</sup>

The affected territory is not located within the City of La Mesa’s sphere of influence but is contiguous with the City on three sides (86%). The landowner has provided documentation from County DEH as to the substandard status of the existing septic system and lack of available space within the affected territory for expansion to appropriate standards; however, the septic system is presently functional for current residential demands. Accordingly, and based on practice to defer exclusively to DEH, a concurrent sphere of influence amendment is the best means under LAFCO law to facilitate the outside wastewater service extension should the Commission deem the latter appropriate.

#### **Conclusion | Accommodation Under Government Code Section 56133**

Amending the City of La Mesa’s sphere of influence to include the affected territory is appropriate for the limited purpose of facilitating an outside wastewater service agreement. Justification follows the preceding analysis and reflects a policy assumption going forward the affected territory will likely merit annexation to the City of La Mesa at some future point in step with additional community planning and further addressed in the succeeding section.

#### **Item No. 2 |**

#### **Timing of the Wastewater Extension**

The landowner is requesting approval from San Diego LAFCO to enter into an agreement with the City of La Mesa to establish outside wastewater services to the affected territory in conjunction with accommodating the construction of an accessory structure. Underlying the Commission’s consideration of the request is the timing and whether the membership believes the extension of wastewater service is needed and – if yes – whether it is readily available. Should the preceding determinations be in the affirmative the Commission is tasked with proceeding to consider most appropriate delivery means: annexation or outside service extension. Staff’s analysis of these two related factors follows.

<sup>2</sup> County Department of Environmental Health (DEH) is the local permitting and regulatory agency for on-site underground wastewater disposal systems and provides evaluations for the status of existing and proposed septic systems and a subject property’s capability to repair, rehabilitate, or expand an existing septic system.

- **Need and Availability of Service**

- The affected territory consists of an existing single-family residence within the developing unincorporated community of Valle De Oro. Existing County policies contemplate additional intensification of the affected territory to include an accessory structure, but currently impeded by a substandard septic system due to slope conditions and limited available space for expansion or repair.
- The extension of wastewater service to the affected territory is readily accessible via private easement through an adjacent developed property and involves an approximate 156 foot lateral.<sup>3</sup> No extension of public infrastructure is required to serve the affected territory.
- It is projected the maximum average day wastewater demand generated within the affected territory is 256 gallons. This amount represents less than 0.001% of the existing available capacity of the City of La Mesa, and as such can be readily accommodated without additional resources or infrastructure planning.
- The alternative to extending public wastewater service to the affected territory would be to maintain a private on-site septic system that has been identified as functional but substandard by County DEH. This alternative – among other items – would counter the Commission’s interest and practice in discouraging private septic systems in developing urban areas when alternatives are available.

- **Annexation v. Outside Service Agreement**

- Annexations are the preferred method under LAFCO law to use boundary changes to memorialize the relationship between land and service providers unless local conditions suggest otherwise.
- Local conditions sufficiently justify an outside service extension as the most responsive means to provide wastewater services to the affected territory given annexation would not be orderly or efficient at this time. Most notably, access to the affected territory is currently limited to Carmichael Drive, an unincorporated roadway. Annexation of the affected territory would similarly necessitate inclusion of Carmichael Drive and thereby create an island of the adjacent unincorporated properties.

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<sup>3</sup> The adjacent developed property is already entirely within La Mesa’s incorporated jurisdiction.

### **Conclusion | Timing of the Wastewater Extension**

The timing of the wastewater extension is warranted and is best accommodated by an outside service agreement. Justification is marked by the preceding analysis and highlighted by appropriately responding to the need for wastewater service in a developing urban area consistent with available public infrastructure while avoiding a premature jurisdictional change.

### **Item No. 3 | Potential Approval Terms**

The application of standard approval terms appears sufficient. This includes the applicant paying any outstanding fees necessary to complete the approval per the San Diego LAFCO fee schedule. It is also noted consideration has been given consistent with practice to require the landowner to file an annexation proposal with LAFCO for future processing in conjunction with meeting the intent of the accommodating sphere amendment. Staff believes it is appropriate to proceed without this term given local conditions and recognition the associated actions needed to facilitate an orderly annexation requires considerable planning resources and unlikely to materialize within the immediate future.

### **Conclusion | Approval Terms**

Standard terms are appropriate.

## **Other Statutory Considerations**

### **Environmental Review**

San Diego LAFCO serves as lead agency for assessing potential impacts of the request under CEQA. The requested contractual service agreement involves an extension of wastewater service to land already developed to its maximum density under existing land use policies and currently utilizing a substandard septic system. Staff believes the accommodating sphere amendment and contractual service agreement actions qualify as a project, but exempt from further review under State CEQA Guidelines Section 15061(b)(3). This exemption appropriately applies given it can be seen with certainty there is no possibility for the project to significantly effect the environment relative to baseline conditions.

## RECOMMENDATION

Staff recommends approval to authorize the City of La Mesa to enter into an outside service agreement with the landowner to provide wastewater to the affected territory along with a concurrent sphere of influence amendment. These actions are outlined as Alternative One in the proceeding section and provides for a reasonable and timely extension of the City of La Mesa's wastewater services in support of current and planned uses within the affected territory. The City of La Mesa and the Valle De Oro Community Planning Group have provided their written support for the approval as recommended.

## ALTERNATIVES FOR ACTION

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

### Alternative One (recommended):

- a) Accept and incorporate the analysis of the Executive Officer's written report.
- b) As lead agency, find the project exempt from additional review under State CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility the associated actions will adversely effect the environment.
- c) Approve an amendment to the City of La Mesa's sphere of influence to include the affected territory and direct the Executive Officer to execute a conforming resolution with determinative statements provided in Appendix A. Approval is subject to reconsideration under Government Code Section 56895. Approval is termed on the successful execution of the proposed contractual wastewater service agreement.
- d) Approve the proposed contractual wastewater service agreement between the City of La Mesa and the landowner for the affected territory included in Attachment Two. Approval is termed on completion of the reconsideration period for the accommodating sphere of influence amendment and payment of any outstanding fees per the LAFCO fee schedule.

### Alternative Two:

Continue consideration of the item to the next regular meeting set for May 6, 2019 or a special meeting at a designated time and place. This option includes providing direction to staff for any additional information, as needed.

### Alternative Three:

Disapprove the request.

## **PROCEDURES FOR CONSIDERATION**

This item has been placed on the agenda as part of a noticed public hearing. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from staff unless waived;
- 2) Invite comments from the applicant, Nathaniel and Jasmine Wyman;
- 3) Open the hearing and invite audience comments; and
- 4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,

A handwritten signature in black ink, appearing to read 'R. Barry', with a stylized flourish at the end.

Robert Barry, AICP  
Chief Policy Analyst

Appendices:

- A) Sphere of Influence Determinations

Attachments:

- 1) Vicinity Map
- 2) Application Materials
- 3) Supplemental Analysis | 56668 Factors

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**APPENDIX A**  
**Government Code Section 56425**  
**Sphere of Influence Determinations**

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

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The affected territory consists of one unincorporated parcel totaling approximately 0.73 acres developed with one single-family residence with a situs of 9319 Carmichael Drive. The affected territory is part of the Valle De Oro community and located south of Lemon Avenue, west of Avocado Avenue, north of Edgewood Drive, and east of SR-125, with a situs of 9319 Carmichael Drive. The existing single family residence was built in 1961 and is 2,082 square feet in size with four bedrooms and two bathrooms. The affected territory is planned for semi-rural single-family residential use by the County of San Diego General Plan (2 du/ac). This use is memorialized under the local Valle de Oro Community Plan and County zoning, which designates the affected territory as rural-residential (RR) and requires a minimum lot size of 0.50 acres. The zoning assignment restricts the affected territory from additional residential density. Following development of a proposed accessory structure no additional intensity would be allowed. There are no agricultural or open space lands within the affected territory. The County Assessor identifies the subject parcel as 495-320-45

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

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Existing and planned residential uses within the affected territory as described above merits domestic wastewater service. The SANDAG Series 13 Regional Growth Forecast (2013) for the City of La Mesa projects the local residential population to grow from 61,102 to 77,881 (approximately 27%) between 2020-2050.

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

---

La Mesa presently provides community planning, fire protection/EMS, police, solid waste, and wastewater services within its incorporated jurisdiction. La Mesa's capacity of facilities and provision of authorized services were last reviewed by LAFCO in 2008 and determined to be adequate for present and planned needs. Information collected and analyzed in reviewing the underlying request affirms La Mesa has sufficient capacities available to extend wastewater service to the affected territory without impacting existing constituents.



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

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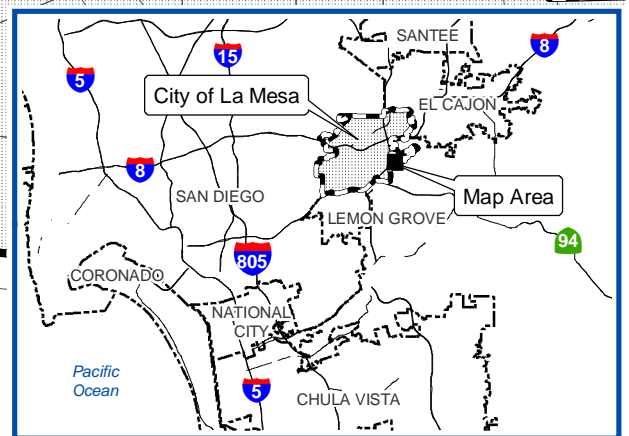
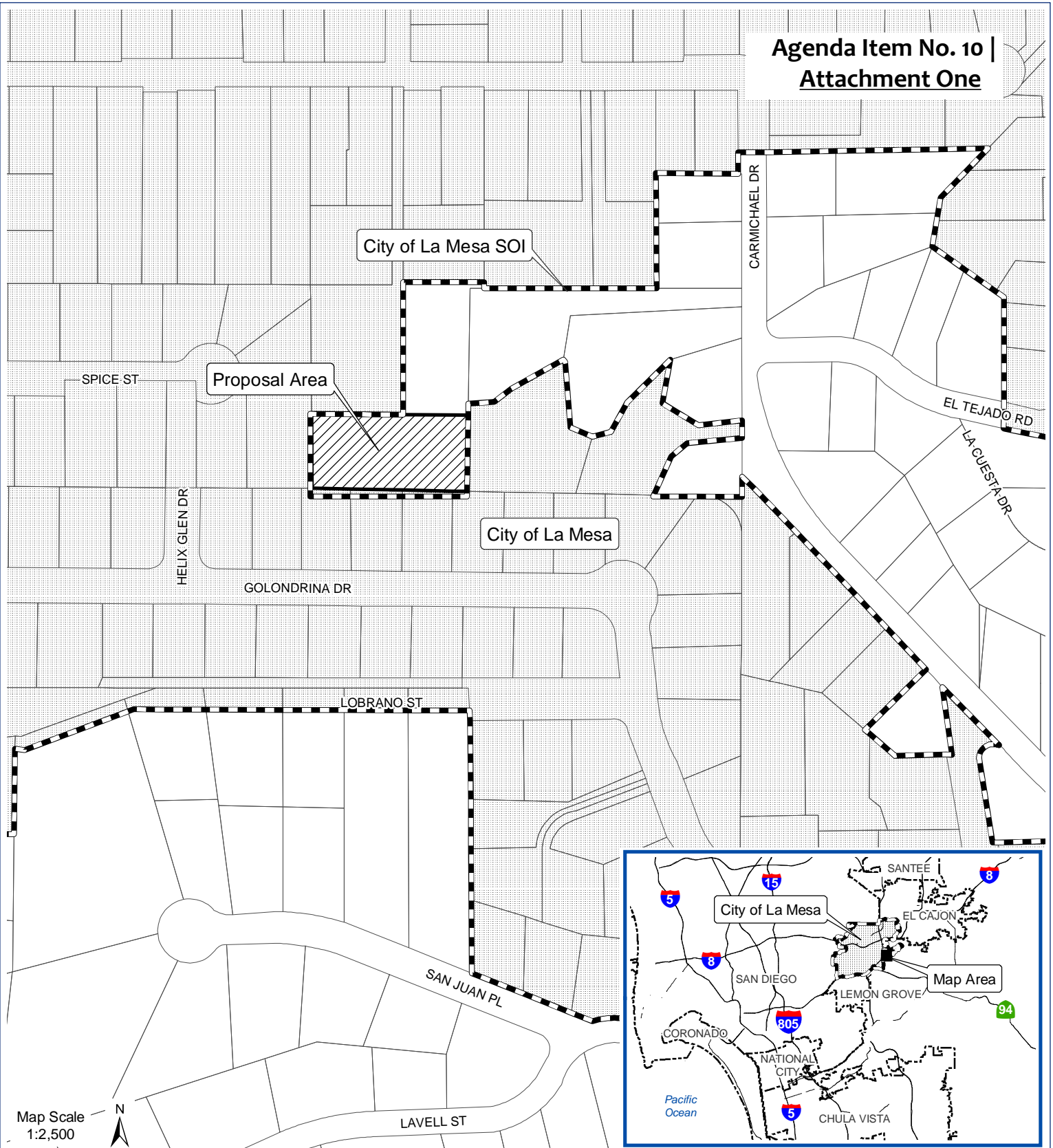
The affected territory has existing communities of interest with the City of La Mesa through common economic and social ties. Expanding the La Mesa sphere to include the affected territory is consistent with relevant economic and social communities of interest in the area.

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

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As of 2016, no qualifying disadvantaged unincorporated communities have been identified within the affected territory or within the existing City of La Mesa sphere of influence.

**Agenda Item No. 10 |  
Attachment One**



**SA18-07  
OAS18-07**

**PROPOSED "CARMICHAEL DRIVE - WYMAN CONTRACTUAL  
WASTEWATER SERVICE AGREEMENT" AND ASSOCIATED  
SPHERE OF INFLUENCE AMENDMENT | CITY OF LA MESA**

-  Proposal Area
  -  City of La Mesa
  -  City of La Mesa SOI
- SOI = Sphere of Influence

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**CONTRACTUAL SERVICE AGREEMENT  
APPLICATION FORM**

*In addition to the materials required for any change(s) of organization, submit the following items:*

1. One copy of either an approved Resolution of the City Council/District Board of Directors or a letter from the City Manager/District General Manager requesting approval for a contractual service agreement.
2. One copy of the contract or agreement stipulating the terms and conditions of extending service to the property signed by the property owner(s) and the agency that is to provide the service.
3. LAFCO processing fee. Contact the LAFCO office or refer to fee schedule.

Print/Type Name: Jasmine & Nathaniel Wyman

Property Address: 9319 Carmichael Drive, La Mesa, CA 91941

Phone #: 760 963 8424 Date: 3-13-2018

This application is used by LAFCO staff to provide supplemental information for contractual service agreement requests.

1. What type or types of public service(s) will be provided? \_\_\_\_\_
2. Why is the service needed? If the service agreement is in response to an emergency health and safety situation, such as a failed septic system, provide information documenting the circumstances (e.g., letter from the County Department of Environmental Health).
3. If a jurisdictional change, such as annexation, is not possible at this time, explain the circumstances that prevent annexation and when the jurisdictional change is anticipated. \_\_\_\_\_
4. Are there any jurisdictional issues associated with the ☐ YES ☐ NO  
proposed contractual service agreement?  
(If yes, please complete the LAFCO Policy L-107 form)

**San Diego Local Agency Formation Commission**  
**9335 Hazard Way, Suite 200**  
**San Diego, CA 92123**  
**(858) 614-7755**

Revised 9/7/11

**RECORDING REQUESTED BY:**  
La Mesa City Clerk  
FEE EXEMPT PER  
GOVERNMENT CODE SECTION 27383

**WHEN RECORDED, RETURN TO:**  
Megan Weigelman, City Clerk  
City of La Mesa  
P. O. Box 937  
La Mesa, CA 91944-0937

(Space Above for Recorder's Use Only)

**AGREEMENT FOR SANITARY SEWER SERVICE**  
9319 Carmichael Drive, La Mesa • APN: 495-320-45-00)

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2018 by and between the City of La Mesa, a Municipal Corporation,  
hereinafter referred to as the "City", and **Nathan Wyman** hereinafter referred to as the  
"Owner(s)",

WITNESSETH:

WHEREAS, the owners desires to utilize the wastewater transportation and treatment  
facilities of the City for property located outside the City limits; and

WHEREAS, the City Engineer has determined that sanitary sewer service for the subject  
property is necessary to protect the health and safety of the areas residents; and

WHEREAS, the City has and is operating a sanitary sewer system so situated and of  
sufficient capacity to transport and treat the wastewater from the owner's property; and

NOW, THEREFORE, for and in consideration of the promises herein and for further  
good and valuable consideration hereinafter set forth, IT IS MUTUALLY AGREED BETWEEN  
THE PARTIES AS FOLLOWS:

**SECTION 1.** The property of the owners proposed to be connected to the City's sanitary  
sewer system, at a point approved by the City Engineer, shall be that area in a territory located  
outside the City and described in **EXHIBIT A** attached hereunto.

**SECTION 2.** The owners may discharge wastewater into the City's sanitary sewer  
system, from the property described in Section 1 hereof, upon condition, however, that no waste  
oil, acid and other matter that may be detrimental to the treatment process employed in the City  
sanitary sewer system, nor any storm or ground waters, shall be permitted to be discharged into  
said connecting line, or lines. If any permitted discharge through said sewer system is contrary  
to limitations provided in this paragraph, the City may make such repair, mitigation or

maintenance work at the expense of the owners and the owners agrees to pay the expense of such repair, mitigation or maintenance work. Further, the Owner shall comply with all codes, ordinance or policies relating to sanitary sewer service within the City of La Mesa.

**SECTION 3.** The owners shall prepare plans and specifications for the development of the lot and/or lots for which the sewer system extension is required. These plans and specifications shall be reviewed and approved by the Development Advisory Board prior to the review of plans and specifications for the extension of the sewer. Plan review by the Development Advisory Board shall be in accordance with current fee schedules and established procedures of the Development Advisory Board.

**SECTION 4.** If a public sanitary sewer main is required to be installed, then the owners shall prepare plans and specifications for installation of a public sanitary sewer collection system, which shall meet the City's Design Criteria and shall be approved by the City Engineer. The owners shall install public sanitary sewer main lines in the public streets or in an approved easement granted to the City, from the owner's property to the existing public sanitary sewer system. Private sanitary sewer main and/or service laterals when installed shall be by the property owners. The applicant/owners shall be responsible to acquire private sewer easements if required. In addition, charges shall be paid by owner as follows: (**\*per current fee schedule established by the City Council**).

\*A. A Development Advisory Board review fee payable to City at Planning Department.

\*B. A plan check fee based on approved Engineer's estimate for reviewing plans for sanitary sewer collection system.

\*C. An inspection fee based on approved Engineer's estimate of construction cost for inspecting construction of the public sanitary sewer collection system.

\*D. A lump sum payment to the City, representing a sewer capacity charge to connect the City's existing facilities, and a lump sum payment representing the City's current connection fee based on equivalent dwelling units shall be paid.

\*E. A yearly or monthly service charge to reimburse the City for treatment cost and maintenance of the sewer main collector system serving the property. Said service charge shall be as established by ordinance or resolution.

\*F. Any sewer connection fees or reimbursement fees established by City to recover the cost of extending the public sanitary sewer system.



SECTION 5. The owners shall dedicate all newly constructed public sanitary sewer facilities to the City in exchange for valuable consideration and the permission to connect to the City's sanitary sewer system.

SECTION 6. It is understood and agreed that the City will own and maintain all public sanitary sewer systems, excluding private building laterals, installed by the Owner, which are inspected and approved by the City. Further, the City shall not be responsible or liable in any way for acts of God or any other act, or acts, beyond the control of the City which may in any way cause interruption or discontinuance of the sanitary sewer service provided for hereunder.

SECTION 7. The owners specifically agrees that all maintenance on the private sewer lateral from owner's premises to the public sewer main shall be Owner's responsibility.

SECTION 8. This agreement shall be terminated and the City shall disconnect service, upon the owner's breach of or failure to perform in terms of this agreement.

SECTION 9. The owners further agrees that in the event that an annexation proceeding be initiated, which includes the property described in Section 1 of this agreement, the owners will not object to inclusion in an annexation, and will be considered to be in favor of said annexation.

SECTION 10. The owners further agrees that no new construction, development or subdivision of property affected by this agreement shall be served by sanitary sewer extended under terms of this agreement.

SECTION 11. This agreement shall be binding upon any successors, heirs, or assigns of the owners.

SECTION 12. The parties agree that this Agreement for Sanitary Sewer Service shall be recorded in the office of the County Recorder of San Diego County and that the provisions contained herein relative to the real property described in **Section 1** shall operate as covenants and restrictions thereof.

SECTION 13. This agreement shall be null and void and any lien or cloud on title shall be released upon annexation of subject property to the City of La Mesa, notice of which shall be recorded.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this agreement the day and year first above written.

\_\_\_\_\_  
Nathan Wyman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

CITY OF LA MESA, a Municipal Corporation

BY \_\_\_\_\_  
Mark Arapostathis, Mayor Date

BY \_\_\_\_\_  
Megan Weigelman, City Clerk Date

Attachments:  
Exhibit A, legal description (2 pages)

E:\0400 AgrmtsCntrts\90 Sewer Service Agreements\SSA - 9319 Carmichael, Wyman.docx



*A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

State of California    )  
  )ss  
County of San Diego)

On \_\_\_\_\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),  
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(SEAL)

\_\_\_\_\_  
Signature

LAFCO File No. \_\_\_\_\_, Administrative approval Date: \_\_\_\_\_

Encroachment permit no. EP08-xxx                      Issued \_\_\_\_\_ 2018.

Attachments:

Exhibit A – Legal description

LAFCO Administrative Approval dated \_\_\_\_\_, 2018



## County of San Diego

**ELISE ROTHCHILD**  
DIRECTOR

DEPARTMENT OF ENVIRONMENTAL HEALTH  
LAND AND WATER QUALITY DIVISION  
P.O. BOX 129261, SAN DIEGO, CA 92112-9261  
Phone: (858) 505-6700 or (800) 253-0933 Fax: (858) 514-6583  
[www.sdcdeh.org](http://www.sdcdeh.org)

**AMY HARBERT**  
ASSISTANT DIRECTOR

March 8, 2018

Nate Wyman  
9319 Carmichael Dr.  
La Mesa, CA 91941

Dear Mr. Wyman:

LOWTS-008546, APN # 495-320-45-00, 9319 Carmichael Dr, La Mesa

To follow up our meeting at your property. As stated, in 2002 a minimum repair of 200 feet of leach lines was installed as a replacement for the existing system. A fully sized system for this area would be 400 feet of leach line for your three bedroom dwelling. A standard fully sized system will typically have a 25-30 year lifespan, having an undersized system can lead to a shorter lifespan. As your repair is already 16 years old your current system could last several more years or could fail next week.

A portion of this repair was further impacted by a paver driveway that the previous owner installed. There are also several cut and fill slopes that create more setback issues. There is also a concrete storm/brow ditch along the southern lot line that also has a setback. After walking the parcel with you there is some limited area for reserve.

In order to approve the proposed workshop you are required by county code to provide space for a complying system and 100% reserve. As stated above a fully sized system would be ~400ft of leach lines and 100% reserve area. There is not room for 800 ft of leach lines to comply with county code requirements.

There does appear to sufficient room to show room for a complying primary utilizing standard leach lines and meet all applicable setbacks. In order to demonstrate 100% reserve your most probable option would to hire an engineer and have testing for a supplemental treatment system.

Supplemental treatment systems generally have a smaller footprint but the tradeoff is much higher installation costs. In addition to the installation costs there is a required annual operating permit (AOP) issued by DEH. As part of DEH requirements for the AOP a maintenance contract is required to be maintained by a certified service provider who conducts a bi-annual inspection of the system and responds to any alarms the system produces.

You stated that you had looked into the possibility of annexing and connecting to sanitary sewer through the City of La Mesa. You may wish to explore the costs of both options before deciding on the most cost effective option before proceeding.

If you have any questions, please contact me at (619) 559-1256.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lance DeClue', with a stylized flourish at the end.

Lance DeClue, REHS  
Environmental Health Specialist II

**SUPPLEMENTAL ANALYSIS**  
**REVIEW FACTORS UNDER GOVERNMENT CODE SECTION 56668**

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

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The affected territory includes one unincorporated parcel totaling 0.73 acres.<sup>1</sup> The subject parcel is developed with an approximate 2,082 square foot detached single-family residence with four bedrooms and two bathrooms constructed in 1961. The landowner intends to construct an accessory structure on the parcel that would negatively impact the existing underground septic disposal system serving the residence. The City of La Mesa has an existing wastewater main located approximately 156-feet from the affected territory within Golondrina Drive. The landowner is requesting LAFCO approval for a contractual wastewater service agreement with La Mesa to serve the residence following abandonment of the septic system. The application materials identify the residence is currently occupied with two inhabitants. The current assessed value of the subject parcel – including land and improvements – is \$619,483. The affected territory contains slopes >25% and is located within the unincorporated Valle De Oro Community Planning Area (CPA). The Valle De Oro CPA consists of approximately 13,129 acres and is bordered by the Cities of Lemon Grove and La Mesa on the west, and El Cajon on the north. The SANDAG Series 13 Regional Growth Forecast (2013) for the Valle De Oro CPA projects the local residential population to grow from 41,478 to 43,863 (approximately 6%) between 2020-2050. Significant local growth is not anticipated over the next 10 years.

- b) **The need for organized community services; the present cost and adequacy of governmental 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 and local special districts serve as the primary purveyors of general governmental services to the affected territory. The County provides community planning, roads, and police services, with fire protection and water services provided by San Miguel Consolidated Fire Protection District (FPD) and Helix Water District (WD), respectively. Other pertinent service providers include Grossmont Healthcare District (healthcare) and County Service Area No. 135 (regional communications). This proposal affects only wastewater and is the focus of the succeeding analysis.

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<sup>1</sup> The subject parcel is located at 9319 Carmichael Drive. The County Assessor's Office identifies the subject parcel as 495-320-45.

- **Extending Public Wastewater to Affected Territory**

The affected territory and its existing residence are currently dependent on an on-site underground septic disposal system. The septic system was established in 1961 with the construction of the residence, and as such nearing the end of its useful lifespan. In addition, the County Department of Environmental Health (DEH) has documented that the septic system is undersized and considered substandard for present demands but is functional. Connection to the La Mesa wastewater system is available through an approximate 156-foot lateral to an existing City wastewater main located within the adjacent public right-of-way of Golondrina Drive. The City of La Mesa estimates wastewater flow for a single-family residence as 256 gallons per day. This projected demand represents less than 0.001% of the current 1.69 million gallons of available and remaining daily contracted capacity allocated to La Mesa.

**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 proposed contractual wastewater service agreement and concurrent sphere amendment with the City of La Mesa would recognize and strengthen existing economic and social ties between the adjacent City and the affected territory. The affected territory is contiguous with the City but takes its access from unincorporated County roadways. Annexation of the affected territory is considered premature because of the lack of connectivity with the La Mesa roadway system and potential for creation of an unincorporated island of the surrounding properties. The proposed contractual wastewater service extension would retain the unincorporated property under the County's land use authority. Inclusion of the affected territory within the La Mesa sphere of influence will facilitate the contractual wastewater service agreement in anticipation of a later change of organization.

**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.**

---

The affected territory is presently developed with one single-family residence in accordance with the County's semi-rural residential use and zoning designations. Approval of the proposed contractual wastewater service agreement and concurrent sphere amendment with the City of La Mesa would facilitate the extension of public wastewater services to the existing single-family residence and a planned accessory structure to be constructed on the affected territory. No additional residential density would be permitted under the current use and zoning designations. Similarly, approval would be consistent with the Commission's adopted policies to synch urban type uses – which include low density residential uses – with urban type services, such as public wastewater. None of the lands qualify as “open-space” under LAFCO law and therefore does not conflict with the provisions outlined under G.C. Section 56377.

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

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The affected territory does not qualify as “prime agricultural land” under LAFCO law. Specifically, the lands are not 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.

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

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The affected territory contains one unincorporated parcel with definite and certain boundaries in conformance with lines of assessment and ownership. Approval of the proposed contractual wastewater service agreement and concurrent sphere amendment with the City of La Mesa would not create islands or corridors of unincorporated territory.

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

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Approval of the proposed contractual wastewater service agreement and concurrent sphere amendment with La Mesa would not affect San Diego Forward, the regional transportation plan established by the San Diego Association of Governments (SANDAG).

**h) The proposal’s consistency with city or county general and specific plans.**

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The County of San Diego General Plan designates the affected territory for semi-rural single-family residential use (2 dwelling units per acre). Present County zoning for the approximate 0.73 acre parcel is rural residential, which prescribes a minimum lot size of 0.50 acres. These existing and planned uses are consistent with the proposal’s purpose to extend public wastewater service to the existing single-family residence by contractual agreement.

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

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The affected territory is contiguous with the City of La Mesa and its coterminous sphere of influence but is not located within the La Mesa sphere. The existing single-family residence is served by a septic system that is considered substandard in size but presently functional for current demands. The proposed contractual wastewater service agreement with La Mesa is not requested in response to an existing or impending threat to the health and safety of the residents or public. Accordingly, Government Code Section 56133 requires the affected territory be located within the La Mesa sphere in anticipation of a later change of organization for LAFCO approval of the proposed contractual wastewater service agreement.

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

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Staff provided notice of the proposal to all subject and affected agencies as required under LAFCO law. No written comments were received ahead of preparing this agenda report.

**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.**

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The landowner of 9319 Carmichael Drive will pay all required fees and service charges commensurate with La Mesa's adopted fee ordinance in establishing wastewater services. At present, the residential wastewater service charge for a single-family residence is \$204.96 per year or \$34.16 billed every other month. The wastewater rates are for the average single-family customer using 15 units of water, with one unit of water equal to 748 gallons. Serving one additional home as a result of approval of the proposed annexation will not adversely impact existing ratepayers. La Mesa's undesignated fund balance as of July 30, 2018 totaled \$31.5 million and is sufficient to cover approximately 10 months of normal operating costs based on the current budget.

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

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The affected territory's existing residential uses are presently within and connected to Helix Water District's domestic water system. Approval of the 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 consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

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The proposed contractual wastewater service agreement and concurrent sphere amendment with La Mesa would not affect any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments, San Diego Association of Governments.

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

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The affected territory is uninhabited as defined in LAFCO law (containing 11 registered voters or less). The subject landowner supports the proposed contractual wastewater service agreement with La Mesa and has provided their written consent to the proceedings.

**o) Any information relating to existing land use designations.**

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The County of San Diego General Plan designates the affected territory for semi-rural single-family residential use (2 dwelling units per acre). Present County zoning for the approximate 0.73 acre parcel is rural residential, which prescribes a minimum lot size of 0.50 acres. The present use and zoning designations combined with the size of the parcel and slope conditions restricts the affected territory from additional residential development beyond the existing single-family residence and a proposed accessory structure.

**p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**

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There is no documentation or evidence suggesting the proposal will have a measurable effect – positive or negative – with respect to promoting environmental justice.

**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 pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined such information is relevant to the area that is the subject of the proposal.**

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The County of San Diego has adopted a multi-jurisdictional hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies outside any threat designations.



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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 11

## AGENDA REPORT Business | Action

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT:** Results of Special Election and Next Steps |  
Julian-Cuyamaca Fire Protection District Reorganization (RO18-09 et al.)

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive the results of a special election concluded on March 19, 2019 for voters to confirm the earlier approval of the “Julian-Cuyamaca Fire Protection District Reorganization.” Results are expected to be certified on April 4<sup>th</sup>. Should voters approve the reorganization it will be ordered with discretion on the part of LAFCO in setting an effective date so long as it is within nine months of the election and all remaining terms are satisfied. Should voters disapprove the reorganization it will be terminated. Staff recommends the Commission formally receive and file the certified election results as well as provide direction and/or take associated actions as needed.

### BACKGROUND

#### Initiating Applications

In April 2018, San Diego LAFCO received a proposal from Julian-Cuyamaca Fire Protection District (FPD) to dissolve and cease all corporate powers subject to requested terms. The requested terms included concurrent approval to designate the County Fire Authority through County Service Area (CSA) No. 135 as the successor agency. CSA No. 135 – and

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Jim Desmond</b> County of San Diego	<b>Catherine Blakespear</b> City of Encinitas	<b>Mark Kersey</b> City of San Diego	<b>Chair Jo MacKenzie</b> Visita Irrigation	<b>Andy Vanderlaan</b> General Public
	<b>Dianne Jacob</b> County of San Diego	<b>Bill Wells</b> City of El Cajon	<b>Chris Cate, Alternate</b> City of San Diego	<b>Vice Chair Ed Sprague</b> Olivenhain Municipal Water	<b>Harry Mathis, Alternate</b> General Public
	<b>Greg Cox, Alternate</b> County of San Diego	<b>Serge Dedina, Alternate</b> City of Imperial Beach		<b>Judy Hanson, Alternate</b> Leucadia Wastewater	

through the Board of Supervisors – filed a supporting application in May 2018 to expand its established activated service area for fire protection and emergency medical services and consent therein to serving as the successor agency.

### Commission Approval

On September 10, 2018, San Diego LAFCO held a public hearing to consider the joint-reorganization proposal filed by Julian-Cuyamaca FPD and CSA No. 135. The Commission proceeded to approve the joint-reorganization proposal and concurrently (a) dissolve Julian-Cuyamaca FPD and (b) expand CSA No. 135's activated service area for fire protection and emergency medical to include the affected territory. Specified terms applied and the Commission delegated protest hearings to the Executive Officer.

### Protest Hearing

Consistent with adopted policies the Executive Officer held a protest hearing on San Diego LAFCO's approval of the reorganization on October 16, 2018. The results of the protest hearing were subsequently vetted through the Registrar of Voters (ROV) and Assessor's Office and presented to the Commission for certification on December 3, 2018. The Commission proceeded to adopt a resolution on December 3<sup>rd</sup> certifying the protest hearing and results therein and necessitating need to request the Board of Supervisors to call an election. Included in the resolution was a request the Board of Supervisors hold a special election within 100 days and do so entirely by mail-ballot. The Commission separately also approved an impartial analysis as required under State law.

### Special Election | Unofficial Results

At the request of the Board of Supervisors, the ROV conducted a special election by mail-ballot for registered voters in the affected territory to confirm San Diego LAFCO's approval of the reorganization; the latter identified as "Measure A." Ballots were mailed to all registered voters in mid-February with a deadline to mark and return to the ROV by March 19, 2019. ROV issued unofficial results on the evening of March 19<sup>th</sup> with the latest update provided on March 25<sup>th</sup>. This most recent update shows Measure A passing 54% to 46% with 773 votes in favor and 659 votes against. Certified results are expected to be issued by the ROV on April 4<sup>th</sup> and will be forwarded under separate cover.

### DISCUSSION

This item is being presented for San Diego LAFCO to formally receive and file certified election results for the reorganization. The item also serves as an opportunity for the Commission to discuss next steps should voters approve or disapprove the reorganization as well as provide related direction to staff and/or take associated actions. Additional discussion follows.

### Next Steps if Approved by Voters

Should the voters approve the reorganization San Diego LAFCO is statutorily required to proceed with its earlier approval on September 11, 2018 to concurrently dissolve Julian-Cuyamaca FPD and transfer all assets, liabilities, and service responsibilities to the County of San Diego and through CSA No. 135 as the successor agency. The Commission does have discretion therein, however, in setting the effective date so long as it is within nine months of the election, which would be December 19, 2019. The effective date would be memorialized in the Certificate of Completion recorded with the County-Clerk Recorder's Office and filed with the State Board of Equalization – Tax Division for purposes of adjusting the master tax roll. The following approval terms remain outstanding as of date and would also need to be satisfied before recording a Certificate of Completion.<sup>1</sup>

- Receipt of maps and geographic descriptions of the affected territory with respect to the (a) dissolution of the Julian-Cuyamaca FPD and (b) expansion of CSA No. 135's activated fire protection and emergency medical service area that meet the requirements of the State Board of Equalization. This is a statutory term applied to the reorganization and cannot be released by the Commission.
- Written confirmation from the County Fire Authority through CSA No. 135 that it has developed procedures and offering reserve positions to current Julian-Cuyamaca FPD volunteer firefighters should they complete standard medial and background screening. This was a term of both applicants.
- Written confirmation Julian-Cuyamaca FPD has established an interim agreement for an outside contractor to assume its ambulance transport responsibilities with County Emergency Medical Services (EMS) through June 30, 2019. This discretionary term can be released by the Commission and automatically voids on July 1, 2019. The term also voids should the EMS contract be terminated by either party.

### Next Steps if Disapproved by Voters

Should voters disapprove the reorganization it will be terminated. This would involve the Executive Officer issuing a Certificate of Termination for internal retention at LAFCO.

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<sup>1</sup> Other terms apply to the reorganization but take effect only after the reorganization is complete and implemented. The majority of these post-recording terms address the disposition of assets, liabilities, and tax revenues. It also includes a discretionary term established by the Commission for the County Fire Authority to establish a three-member "Julian-Cuyamaca Subcommittee" to provide feedback on related matters to CSA No. 135 existing Advisory Board with specified member categories.

## ANALYSIS

The unofficial election results provide sufficient clarity to assume the reorganization has been approved by voters and it is San Diego LAFCO's statutory task to complete the proceedings. This assumption underlies the importance to be prepared should the current election results hold to implement a transition plan to transfer service responsibilities from Julian-Cuyamaca FPD to the County Fire Authority with minimal impacts to community members. Staff has communicated interest to both agencies to proactively discuss a transition plan ahead of the Commission's April 8<sup>th</sup> meeting with the premise the effective date should be set no later than the start of the new fiscal year, July 1<sup>st</sup>. County Fire Authority responded favorably to advancing a meeting while Julian-Cuyamaca FPD declined and instead communicated it would not meet before April 9<sup>th</sup>. Further, and as of March 26<sup>th</sup>, Julian-Cuyamaca FPD has directed LAFCO to direct all communications to its legal counsel. This latter development – markedly – coupled with ongoing concerns involving Julian-Cuyamaca FPD expending monies beyond their budgeted means suggest it may be appropriate to expedite the effective date ahead of the new fiscal year. It would be similarly appropriate to consider releasing the discretionary term requiring an interim ambulance transport provider assume service on behalf of Julian-Cuyamaca FPD through the end of the fiscal year.<sup>2</sup>

## RECOMMENDATION

It is recommended San Diego LAFCO formally receive and file the certified election results on the reorganization from the ROV. It is also recommended the Commission provide direction and/or take related action as needed based on the election results. These recommendations are outlined as Alternative One in the proceeding section.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Receive and file the certified election results received from the ROV on the reorganization and provide related direction to staff and/or action as needed.

Alternative Two:

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

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<sup>2</sup> County EMS – which contracts with Julian-Cuyamaca FPD to provide ambulance transport services in the greater Julian region – confirms it has a contingency plan to place an interim provider to assume duties through the end of the fiscal year if needed.

## PROCEDURES

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

- 1) Receive verbal report from staff unless waived;
- 2) Invite comments from interested audience members (voluntarily); and
- 3) Consider recommendation.

Respectfully,



Keene Simonds  
Executive Officer

Attachments:

- 1) Unofficial Election Results for Measure A, March 25, 2019
- 2) Measure A

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## JULIAN\_CUYAMACA FIRE PROTECTION DISTRICT

## SPECIAL ELECTION

March 19, 2019

## Unofficial Results #3 - Add On #2

Date:03/25/19

Time:15:07:38

Page:1 of 1

egistered Voters 2496 - Cards Cast 1434 57.45%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

JULIAN-CUYAMACA FIRE PROT			
MEASURE A			
	Total		
Number of Precincts	1		
Precincts Reporting	1	100.0	%
Total Votes	1432		
YES	773	53.98%	
NO	659	46.02%	



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## JULIAN-CUYAMACA FIRE PROTECTION DISTRICT

(This Measure will appear on the ballot in the following form.)

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### PROPOSED REORGANIZATION OF THE JULIAN-CUYAMACA FIRE PROTECTION DISTRICT

#### MEASURE A

Shall the order adopted on September 10, 2018, by the San Diego Local Agency Formation Commission (Resolution No. RO18-09 et al.) ordering the reorganization affecting the Julian-Cuyamaca Fire Protection District and County Service Area No. 135 and providing for the dissolution of the Julian-Cuyamaca Fire Protection District, the expansion of County Service Area No. 135's existing latent powers in the affected territory, and designating County Service Area No. 135 as the successor agency to the dissolved district be confirmed subject to the terms and conditions specified in the order?

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#### IMPARTIAL ANALYSIS OF MEASURE A, The Reorganization of Julian-Cuyamaca Fire Protection District and County Service Area No. 135

Measure A proposes to confirm San Diego Local Agency Formation Commission's ("LAFCO") approval of a reorganization to dissolve the Julian-Cuyamaca Fire Protection District ("District") and designate the County of San Diego and its Fire Authority through County Service Area No. 135 ("CSA No. 135") as the successor agency.

Affected Territory: The affected territory is the entirety of the District and spans approximately 81 square miles and is located 35 miles to the northeast of the closest incorporated community, City of Poway. The northern half of the affected territory is anchored by the unincorporated community of Julian. The southern half of the affected territory is more rural and includes significant public lands, including the Cuyamaca Rancho State Park. Maps of the affected territory may be viewed online at [www.sdlafco.org](http://www.sdlafco.org).

#### Vote:

- A "Yes" vote means: (1) the District will dissolve and County Fire Authority's career firefighters will provide fire protection and emergency medical services to the affected territory; (2) the \$50 annual parcel tax adopted to pay to construct the fire station will be eliminated with the County paying the remaining balance; (3) the \$50 annual parcel tax adopted in 1984 to fund fire protection services will continue; (4) the existing volunteer firefighters completing the required medical screening will be offered positions with the County volunteer reserves; and (5) a three-member advisory committee of District residents will provide feedback to the County about services provided in the area.
- A "No" vote means: (1) the District will not dissolve; (2) volunteer firefighters will continue to provide fire protection and emergency medical services to the affected territory; (3) the \$50 annual parcel tax adopted in 2006 to pay to construct the fire station will continue; and (4) the \$50 annual parcel tax adopted in 1984 in certain areas funding fire protection services will continue.

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## IMPARTIAL ANALYSIS (CONTINUED)

Reorganization Applications: On 4/10/18, the District adopted a resolution to apply to dissolve the District. On 5/15/18, the County Board of Supervisors adopted a complementary resolution to expand CSA No.135's sphere of influence and its existing powers within the District. The stated reasons for these applications were to: (1) ensure continuity of fire protection and emergency medical services, (2) ensure long-term security of fire protection services to the communities within the District, and (3) eliminate duplication of management, administration, and oversight from operating multiple special districts providing identical service. LAFCO approved the applications on 9/10/18 subject to conditions as stated in RO18-09, which can be viewed at [www.sdlafco.org](http://www.sdlafco.org).

Finances: CSA No. 135 is funded through the County's General Fund. If the reorganization is confirmed, CSA No. 135 would receive approximately \$0.300 million in additional funding, two-thirds from the transfer of the District's existing property tax apportionments, and the remaining one-third from continuing one of two existing annual special parcel assessments. CSA No. 135 will be assigned all revenues from the District's existing \$50 annual parcel tax established in 1984. The District's existing \$50 annual parcel tax established in 2006 to pay for a fire station's construction will be discontinued as the County will pay the remaining balance on the loan. Landowners within the District will not be charged any new or additional assessments as a result of this reorganization.

Governance: The reorganization would dissolve the District's five-member board. The County Board of Supervisors would assume responsibility for providing fire protection and emergency medical services to the affected territory. A three-member Julian-Cuyamaca fire advisory board sub-committee will be created to provide feedback on fire protection services in the affected territory.

The above statement is an impartial analysis of Measure A. If you desire a copy of the measure, please call the elections officials office at 858-505-7260 and a copy will be mailed at no cost to you.

## **ARGUMENT IN FAVOR OF MEASURE A**

**VOTE YES on Measure A** to allow LAFCO to complete the dissolution of JCFPD.

A YES vote will increase services and lower our taxes. The County will provide full time career staffing in both Julian and Cuyamaca. The Julian Fire Engine will have full time paramedics assigned. Our insurance rating will be reduced to a 3/3X, potentially lowering insurance rates, and the \$50.00 Fire Station Benefit Tax will be eliminated, as the County will pay off the new Fire Station loan. JCFPD volunteers will transition to the County and continue to serve Julian and Cuyamaca.

JCFPD is in trouble! Their auditor wrote in the November 16, 2018 Auditor's Report that the failure of measure QQ raises substantial doubt about the districts ability to continue as a going concern without the additional revenue resources. JCFPD is insufficiently funded and their financial future is bleak. JCFPD recently fired their secretary due to lack of funds. There are equipment, personnel, training and safety issues. The volunteers staff the fire station less than 50% of the time. There are seven litigation matters listed on the most recent board agenda. They also face seven OSHA Citations. The Cuyamaca Station is not structurally sound, habitable or staffed. Do not be persuaded by the rhetoric of one's desire to retain an "iconic volunteer fire department." This vote is about who is best to provide emergency services.

It is important to retain the most well-funded, sophisticated and professional fire department possible. The County Fire Authority, with its proven and experienced management, staff and firefighting professionals, has the funding and skills to protect the Julian Cuyamaca area today and into the future. The future is now and JCFPD is in trouble. Better service at lower cost means voting YES on Measure A.

Tim Taschler  
Property Owner, Full-Time Resident

## **REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE A**

Are you satisfied with the way politics work in Washington or Sacramento or San Diego? If you are distrustful of politicians and want to have a say in how your community operates, then the only choice is to vote "No" to maintain control of our only government agency.

JCFPD is fully staffed 24/7 and morale is great. Every volunteer has been medically cleared, and their training and certifications are current. All of the OSHA violations have been resolved. Complaints (not lawsuits) against the outgoing Board members are no longer relevant. The Board's Finance and Budget Committee has shown that JCFPD can continue to operate on existing taxes and benefit fees, just as it has for over 34 years. In March, over 30 new firefighters will have completed training by JCFPD and be ready to gain the experience necessary to advance their careers. This is what JCFPD does. No one cares more about this community and its safety than the local volunteer firefighters.

Before voting, ask why Ranchita did not receive any of the benefits promised by the County. Ask what happened to all the volunteer firefighters (about 400) in the back country that were promised jobs with the County. Ask these other communities if their homeowner insurance premiums have been reduced. Then vote "No" to keep local control because we know what is best for our community.

Patricia Landis  
Community Volunteer

PR-1910-4

## **ARGUMENT AGAINST MEASURE A**

### **Argument Against Dissolution of JCFPD**

The question is: Do you want San Diego County Fire Authority to replace Julian-Cuyamaca Fire Protection District (JCFPD)?

A "No" vote will preserve Julian-Cuyamaca Fire and its locally controlled Board of Directors. JCFPD will maintain its two fire stations, alongside the two existing Cal Fire stations, providing the highest possible number of firefighters in our high-fire-risk area. Retaining our seasoned volunteer firefighters will insure that first responders never abandon the community, especially during large wildfires. JCFPD will continue to operate on existing taxes and fees with no increase in cost to the community -- our taxes and fees will support our community. Volunteers will offer career training to new Fire Academy graduates and Fire Explorers; and, they will support the community with the Christmas Toy Drive and other philanthropic and social events. Julian-Cuyamaca Fire Protection District has provided high quality service for 34 years and has plans to continually improve.

A "Yes" vote will permanently dissolve our volunteer fire department and reduce the number of fire stations in our community from four (4) to (2). The total number of firefighters in Julian-Cuyamaca will be severely reduced by terminating all of our experienced volunteers. Fire and EMS service will be administered by politicians in San Diego and Sacramento. Cal Fire will be contracted to provide firefighters from out of the area who are unfamiliar with our community and territory. Assets we have accumulated over the past 34 years (land, stations, vehicles and equipment) will be distributed to the County; and, the taxes Julian residents pay will be used indefinitely for fire services across the entire unincorporated area of San Diego County.

Evelina Hatch  
Business Owner

Mike Van Bibber  
Battalion Chief

Patricia Landis  
Julian Fire Plugs

David L. Southcott  
JFPD Capt.

Brian Crouch  
Julian Volunteer Fire Assn.

## **REBUTTAL TO ARGUMENT AGAINST MEASURE A**

Why is effective emergency service more important than local control? When your house is on fire, your heart has stopped beating or you need to be cut out of a wrecked car, professional service will always outweigh any notion of the importance of local control. JCFPD has served us well for 34 years. The cost and complexity of running a modern fire department necessitates a change.

This dissolution requires staffing with 3 persons at both Julian fire stations and the Cuyamaca station; 9 professional firefighters delivering Advanced Life Support Paramedic Services to residents every day. Existing volunteers will respond with them. Many of our dedicated volunteers have already transitioned to the County.

CAL FIRE has a new facility that will serve the Cuyamaca area. The County will pay off the loan for the Julian Station reducing our taxes \$50.00 annually.

All Fire Stations are considered "must cover". This means that when their assigned personnel and apparatus are committed outside the District for more than 30 minutes, resources from outside the district will be sent to cover.

The county will commit \$1,500,000 annually to augment the JCFPD budget of \$400,000. A local advisory committee will continue to provide local input, the volunteers will continue to serve their community, the new station will stay open and we get more personnel including paramedics.

Julian and Cuyamaca residents deserve the very best emergency service available. A "Yes" vote will ensure that they receive it.

Sincerely,  
Randy Lyle  
Julian resident  
Past JCFPD Board Member

PR-1910-6

## **FULL TEXT OF MEASURE A**

### **RESOLUTION OF THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**

#### **APPROVING A JOINT-REORGANIZATION AND ASSOCIATED SPHERE OF INFLUENCE AMENDMENTS**

#### **CONCURRENT DISSOLUTION OF THE JULIAN-CUYAMACA FIRE PROTECTION DISTRICT AND LATENT POWER AREA EXPANSION OF COUNTY SERVICE AREA NO. 135 (RO18-09 ET AL.)**

**WHEREAS**, the Julian Cuyamaca Fire Protection District (FPD) has filed a resolution of 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 Julian-Cuyamaca FPD's application requests dissolution and cession of all corporate powers within its approximate 52,000 acre jurisdictional boundary subject to certain terms, including concurrent Commission approval to transfer fire protection and emergency medical service responsibilities to the County of San Diego and its Fire Authority through County Service Area (CSA) No. 135; and

**WHEREAS**, the County of San Diego, acting on behalf of CSA No. 135, filed a supporting resolution of application with the Commission requesting expansion of CSA No. 135's existing latent power fire protection and emergency medical service area to include the affected territory; and

**WHEREAS**, the application filings by Julian-Cuyamaca FPD and County of San Diego are complementary and processed by the Commission as a joint-reorganization proposal; and

**WHEREAS**, the Commission's Executive Officer has reviewed the joint-reorganization proposal and prepared a report with recommendations; and

**WHEREAS**, the Executive Officer's report and recommendations on the joint-reorganization proposal and need for concurrent sphere of influence amendments 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 hearing along with reviewing the necessary concurrent sphere of influence amendments for consistency under Government Code Section 56375.5 on September 10, 2018.

**NOW, THEREFORE, BE IT RESOLVED**, the Commission hereby finds, determines, and orders the following:

1. The hearing was held on the date set therefore, and due notice of said hearing was given in the manner required by law.
2. At the hearing, the Commission called for, heard, and considered all interested parties and public comments and read and considered the Executive Officer's report.
3. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering two distinct "projects" associated with the joint-reorganization proposal and as detailed in the Executive Officer's report: (a) accommodating sphere of influence amendments and the (b) reorganization itself. The Commission's findings follow.
  - a) The sphere of influence amendments qualify as a project, but are exempt from additional review per CEQA Guidelines section 15061(b)(3). This exemption appropriately applies because it can be seen with certainty spheres of influence are

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## FULL TEXT OF MEASURE A (CONTINUED)

planning policies and amendments do not make any changes to the environment or authorize any new uses or services and thus there is no possibility that the activity in question may have a significant effect on the environment.

- b) The reorganization qualifies as a project, but is exempt from additional review under CEQA Guidelines section 15320. This exemption appropriately applies given the affected territory is already within an authorized fire protection and emergency medical provider and the reorganization will not change the geographic area where services are authorized and exercised.
- 4. The Commission conditionally APPROVES the following sphere of influence amendments.
  - a) The sphere of influence for Julian-Cuyamaca FPD is amended to a transitional or zero status and shown in Exhibit A-1.
  - b) The fire protection and emergency medical service specific sphere of influence for CSA No. 135 is amended to include all of the affected territory and shown in Exhibit A-2.
- 5. The Commission conditions the approved sphere of influence amendments as described on the recordation of the associated joint-reorganization identified as RO18-09 et al.
- 6. The written statements of the Commission addressing the mandatory factors required for consideration any time spheres of influence are adopted, amended, or updated under Government Code Section 56425 are provided as Exhibit B.
- 7. The Commission conditionally APPROVES the proposed joint-reorganization proposal identified as RO18-09 et al. without modification or amendment and as shown in Exhibit C.
  - a. The following conditions must be satisfied within one calendar year – or August 6, 2019 – unless prior written request for an extension is received and approved by the Commission.
    - i. Completion of the 30-day reconsideration period provided under Government Code Section 56895.
    - ii. Receipt and confirmation by the County of San Diego Assessor's Office of the completeness of maps and geographic descriptions of the affected territory showing the (a) dissolution of Julian-Cuyamaca FPD and (b) expansion of CSA No. 135's latent power fire protection and emergency medical service area.
    - iii. Upon the Commission's order giving approval to the joint-reorganization, Julian-Cuyamaca FPD is prohibited from taking any of the actions contained in Government Code section 56885.5, including:
      - 1. Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.
      - 2. Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

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## FULL TEXT OF MEASURE A (CONTINUED)

- iv. Upon successful completion of medical and background screening, Julian-Cuyamaca FPD volunteer firefighters shall be offered reserve positions/transitioned into the San Diego County Volunteer Reserve Firefighter Program. Personnel unable to meet these requirements may be offered positions as Support Reserves.
  - v. Julian-Cuyamaca FPD must establish an interim arrangement for an outside contractor to assume ambulance transport services for the greater Julian area through June 30, 2019 consistent with its contract with County Health and Human Service Agency. This includes requiring the contractor to offer equivalent employment to the six affected Julian-Cuyamaca FPD employees through June 30, 2019 subject to meeting standard qualifications and testing of the contractor.
- b. The following conditions apply upon and after the effective date of the joint-reorganization as defined in No. 11 below:
- i. Successor Agency. Upon and after effective date, CSA No. 135 shall be the successor to Julian-Cuyamaca FPD for purpose of providing structural fire protection and emergency medical services, and succeeding to all of the rights, duties, and obligations of the extinguished district with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations within the territory previously included within the extinguished district.
  - ii. Organization and Governance. The dissolved fire protection district will become part of the fire protection and emergency medical services subarea of CSA No. 135. CSA No. 135 is governed by the five-member Board of Supervisors and the Deputy County Administrative Officer for the Public Safety Group will serve as the Fire Warden. Operationally, the County of San Diego will continue to contract with CAL FIRE to provide services. A seven-member fire advisory board has been created in accordance with County Board Policy A-74. The fire advisory board shall create a Julian-Cuyamaca subcommittee to provide feedback on fire protection services in the affected territory. The subcommittee shall consist of three persons as follows initially: one current Julian-Cuyamaca FPD Board member; one member of the Chamber of Commerce; and one member from the Julian Plugs Fire Association. In its discretion, the fire advisory board may change the membership categories of such subcommittee over time in the event it becomes impractical to fill certain membership categories.
  - iii. Employees. As of the effective date, the Julian-Cuyamaca FPD Secretary shall be offered equivalent employment as determined by the County with the County, CSA No. 135, or through a contract with another agency/service provider.
  - iv. Tax Revenues. Upon the effective date, the legal existence of Julian-Cuyamaca FPD shall cease except as otherwise required by law. All property tax revenues and voter-approved special tax or special assessment revenues (if any), received or receivable by Julian-Cuyamaca FPD as of the effective date shall be collected or collectible by CSA No. 135 for the exclusive use of funding the services within the Territory. CSA No. 135 property taxes, special

## FULL TEXT OF MEASURE A (CONTINUED)

taxes, and special assessments shall not be available for other CSA No. 135 or County purposes.

- v. Plan for Service. CSA No. 135 shall provide the services within the territory provided by Julian-Cuyamaca FPD per the Plan for Services adopted by the County of San Diego. CSA No. 135 will provide a Paramedic Fire Engine in Julian at Fire Station #56. CSA No. 135 will fund the year-round staffing of CAL FIRE Cuyamaca Fire Station #51 with an expanded scope BLS Fire Engine. Julian Fire Station #56 will be considered a must-cover priority #1 station subject to the 30-minute move up. Levels of services may improve or increase prior to the day immediately preceding the Effective Date.
- vi. Transfer of Facilities. Upon the effective date, the facilities located at the real properties identified on Exhibit B of Julian-Cuyamaca FPD Application shall be transferred to CSA No. 135 for use in providing the services. The facility in the community of Cuyamaca will not be transferred and will be disposed of by the Julian-Cuyamaca FPD prior to the effective date of dissolution.
- vii. Transfer of Assets. CSA No. 135 shall accept all real and personal property, books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, and all other assets and obligations transferred from Julian-Cuyamaca FPD in "as-is" condition, without any payment or repair obligation from Julian-Cuyamaca FPD. All incidental liabilities, such as accounts payable, contract obligations and consumer deposits, shall be transferred to CSA No. 135's appropriate, respective, isolated accounts. All assets including, but not limited to cash reserves, land, structures, appurtenances, rolling stock, personal property including tools, office furniture, fixtures and equipment, and held by Julian-Cuyamaca FPD, shall be transferred to the appropriate services zone of CSA No. 135 as of the effective date.
- viii. Transfer by Operation of Law. Except as otherwise provided herein, the ownership, possession, and control of all books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or leased by, connected with the administration of, or held for the benefit or use of, Julian-Cuyamaca FPD shall transfer to CSA No. 135. CSA No. 135 is the successor to Julian-Cuyamaca FPD and, except as otherwise provided herein, the provisions of Government Code sections 57450 et seq. applicable to successor agencies to dissolved agencies apply to CSA No. 135.
- ix. Insurance Service Office (ISO) Ratings. CSA No. 135 will petition the ISO to update Julian-Cuyamaca FPD's former 5/9 rating of properties within the Territory to the County's 3/3x ISO rating. Julian-Cuyamaca FPD maintains a class 5/9 ISO Fire Department rating.
- x. Explorer Program. CSA No. 135 shall assume and continue support for Julian-Cuyamaca FPD Explorer Program in place on the day immediately preceding the Effective Date.
- xi. Community Events. County and/or state firefighters stationed in Julian will participate in community events as requested.

PR-1910-10

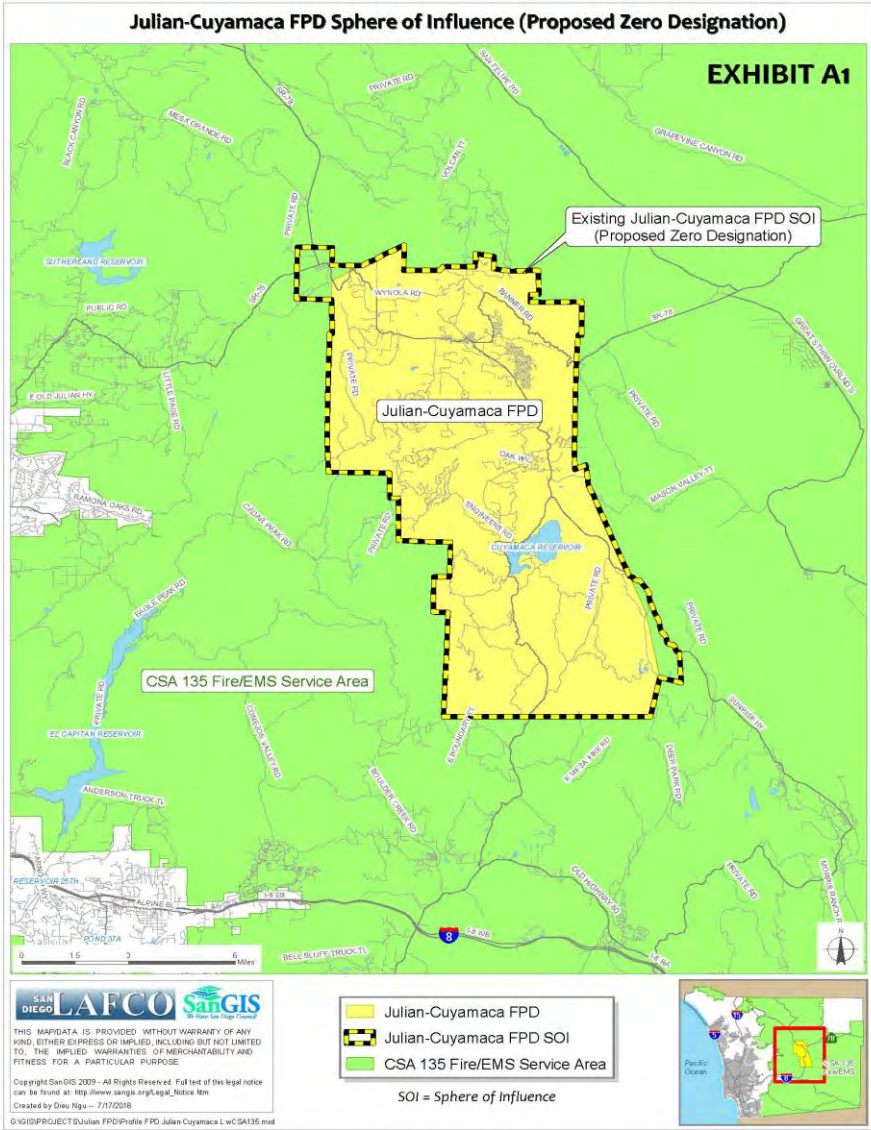
## FULL TEXT OF MEASURE A (CONTINUED)

- xii. District Firefighters. Upon successful completion of medical and background screening, Julian-Cuyamaca FPD volunteer firefighters shall be offered reserve positions/transitioned into the San Diego County Volunteer Reserve Firefighter Program. Personnel unable to meet these requirements may be offered positions as Support Reserves.
  - xiii. Benefit Fee | No. 3115-01. The County will pay the remaining balance on the Fire Station loan using the collected Fire Station benefit fee established in 2006 and additional County funds. The Fire Station benefit fee – identified by the Assessor as Fund No. 3115-01 – will then be discontinued no later than July 1, 2019.
  - xiv. Benefit Fee | No. 3115-40. CSA No. 135 shall be assigned all revenues collected by the Fire Protection benefit fee established in 1984. The Fire Protection benefit fee is identified by the Assessor by Fund No. 3115-40.
- 8. The affected territory as designated by the Commission is inhabited as defined in Government Code Section 56046.
  - 9. The Commission delegates to the Executive Officer performing all conducting authority proceeding requirements under Government Code Section 57000.
  - 10. Both subject agencies' utilize the regular assessment roll of the County of San Diego.
  - 11. The effective date of the reorganization proposal shall be the date of recordation of the Certificate of Completion.
  - 12. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

PR-1910-11

FULL TEXT OF MEASURE A (CONTINUED)

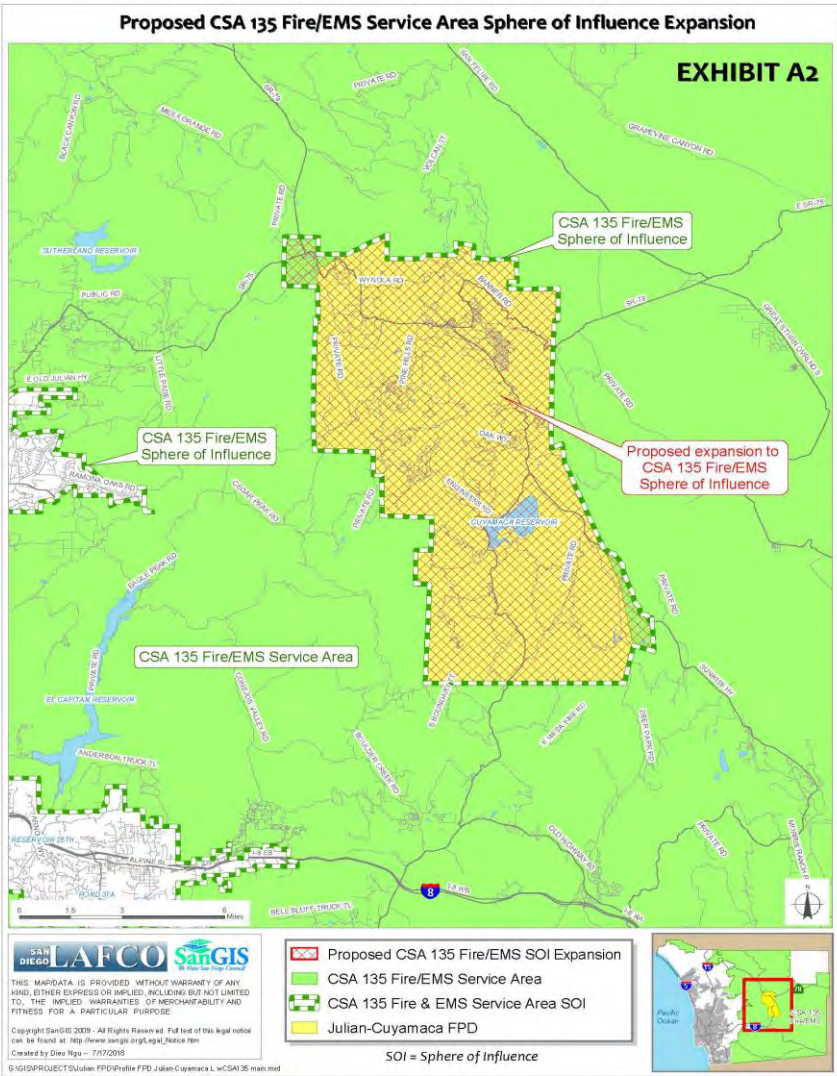
EXHIBIT A-1



PR-1910-12

FULL TEXT OF MEASURE A (CONTINUED)

EXHIBIT A-2



PR-1910-13

## **FULL TEXT OF MEASURE A (CONTINUED)**

### **EXHIBIT B**

#### **Government Code Section 56425 Sphere of Influence Statements**

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

---

The affected territory spans close to 52,000 acres and is entirely unincorporated, and as such subject to the adopted land use policies of the County of San Diego. The northern half of the affected territory is anchored by the unincorporated community of Julian and includes its own historic district with a mix of local and tourist-serving retail and commercial uses as well as public facilities. Development within this portion of the affected territory is guided by the Julian Community Plan with no significant future growth anticipated. The southern half of the affected territory is more rural with agrarian uses ranging from orchards to vineyards. It also includes a significant portion of public lands – estimated at approximately 52% of the total affected territory – and highlighted by the Cuyamaca Rancho State Park. Development within this portion is guided by Central Mount Subregional Plan with minimal new future growth anticipated. LAFCO estimates the total resident population is 4,100.

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

---

Existing and planned uses within the affected territory as described above merits organized fire protection and emergency medical services. This need is highlighted by an existing residential population of over 4,000 and steady influx of tourists underlying the relatively constant service demands experienced over the last several years.

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

---

Julian-Cuyamaca FPD presently provides fire protection and emergency medical services to the affected territory. These services are considered adequate when volunteer staffing is fully available; the latter being a variable. CSA No. 135 serves as an implementing vehicle for the County Fire Authority to provide fire protection and emergency medical services throughout a significant portion of unincorporated San Diego County – including lands surrounding Julian-Cuyamaca FPD. County Fire Authority has available and sufficient capacities to immediately assume and increase service levels to the affected territory with 24-hour professional firefighters while at a reduce cost to constituents.

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

---

The affected territory has developed strong social and economic ties to the Julian-Cuyamaca FPD and highlighted by the community's ongoing involvement in supporting FPD's volunteer-based service activities. The affected territory also possesses – albeit to a different degree – communities of interest with the surrounding region served by CSA No. 135 through County Fire Authority given the shared experience of being part of the “backcountry” area of San Diego County.

PR-1910-14

## **FULL TEXT OF MEASURE A (CONTINUED)**

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

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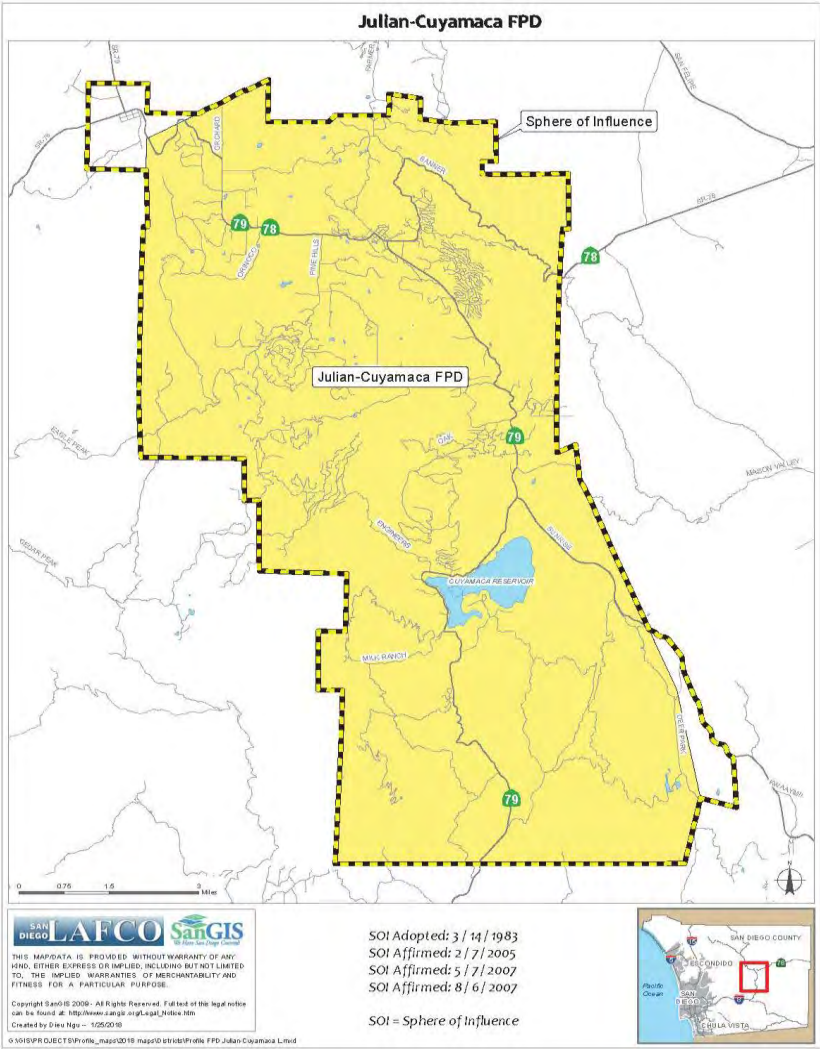
The northern half of the affected territory – which includes the main population center of Julian – qualifies as a disadvantaged unincorporated community (DUC) based on statute and implementing LAFCO policy. The sphere of influence amendments serve to facilitate the delivery of enhanced fire protection and emergency medical services to all of the affected territory by transitioning coverage from Julian-Cuyamaca FPD to County Fire Authority through CSA No. 135, and as such do not adversely impact residents within the DUC.

PR-1910-15



FULL TEXT OF MEASURE A (CONTINUED)

EXHIBIT C  
Affected Territory



PR-1910-16



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

# 12

## AGENDA REPORT Business | Discussion

April 8, 2019

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
Linda Zambito, Analyst I

**SUBJECT:** Draft Municipal Service Review on the Julian Region

### SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a draft municipal service review on the Julian region. The draft has been prepared by staff consistent with the adopted workplan and represents an independent assessment of the availability, need, and performance of public services in the Julian region and specific to the six local agencies under Commission oversight. This includes preparing determinative statements addressing all of the factors required under statute as part of the municipal service review mandate. The draft is being presented for discussion and feedback ahead of staff initiating a public review period in anticipation of returning in June with final actions.

### BACKGROUND

#### Municipal Service Review Mandate

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

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General Public

Harry Mathis, Alternate  
General Public

take other actions, such as forming, consolidating, or dissolving one or more special districts.

### Current Workplan | Municipal Service Review on Julian Region

San Diego LAFCO's current workplan was adopted at a noticed hearing held on April 4, 2018 and outlines over two-dozen project goals for the fiscal year. This includes preparing a municipal service review on the Julian region and the six local agencies under Commission oversight that provide one or more public services in the approximate 81 square mile area. A listing of the six affected agencies included in the municipal service review follows.

Affected Agencies   Municipal Service Review on the Julian Region			
Agency	Main Service Area	Type	Active Services
Cuyamaca Water District	Lake Cuyamaca Resort	Independent	Domestic Water
Julian Community Services District	Downtown Julian	Independent	Domestic Water
Julian-Cuyamaca Fire Protection District	Julian Region	Independent	Fire, EMS, & Ambulance
Lake Cuyamaca Recreation and Park District	Lake Cuyamaca	Independent	Community Recreation
Majestic Pines Community Service District	Kentwood-in-the-Pines	Independent	Domestic Water
Wynola Water District	Wynola	Independent	Domestic Water

It is pertinent to note the Julian-Cuyamaca Fire Protection District has been included in the municipal service review despite being subject to a pending dissolution proceeding. The inclusion of the agency allows the Commission to document baseline service information while also protecting from the need to prepare an addendum should the dissolution not proceed for any reason. The final municipal service review will be updated accordingly should the dissolution finalize before the Commission takes formal action on the document.

## DISCUSSION

This item is for San Diego LAFCO to review the draft municipal service review on the Julian region consistent with the adopted workplan and ahead of staff initiating a formal public comment period. Feedback provided by the Commission – including requests for additional analysis – will be incorporated into a final municipal service review presented for future action and involve formally receiving the document and adopting an accompany resolution codifying the determinative statements. Associated sphere of influence updates for each affected agency will also be presented with the final municipal service review.

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

## ANALYSIS

Please see the Executive Summary provided as part of Attachment One.

## ALTERNATIVES FOR ACTION

The draft municipal service review on the Julian region is being presented to San Diego LAFCO for discussion and feedback only.

## RECOMMENDATION

It is recommended San Diego LAFCO provide feedback on the draft municipal service review on the Julian region – including direction on desired revisions – and ahead of staff circulating the item for public review and returning with a final version for action as early as June 2019.

## PROCEDURES

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

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

Respectfully,



Keene Simonds  
Executive Officer



Linda Zambito  
Analyst I

Attachment:

1. Draft Municipal Service Review on the Julian Region | April 2019.

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# San Diego County Local Agency Formation Commission



## **JULIAN REGION**

Municipal Service Review | Government Code 56430

### **Affected Agencies**

Cuyamaca Water District  
Julian Community Services District  
Julian-Cuyamaca Fire Protection District \*  
Lake Cuyamaca Recreation and Park District  
Majestic Pines Community Services District  
Wynola Water District

\* Dissolution Pending

**Draft Report** | April 2019

### **Project Manager**

Linda Zambito, Analyst I

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## **ACKNOWLEDGEMENT**

San Diego County LAFCO gratefully acknowledges the time and effort of officials and staff with all of the affected agencies as well as others – including the County of San Diego as the affected land use authority – in assisting in the preparation of this report.



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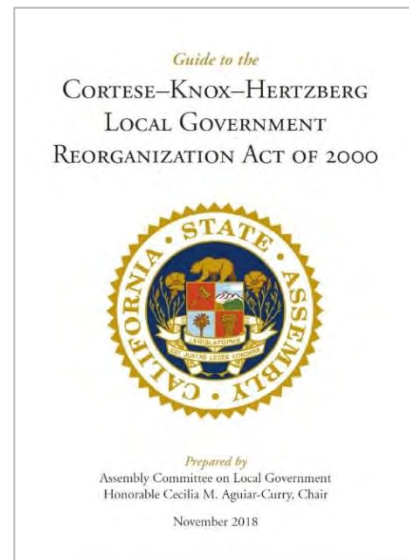
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## CHAPTER ONE | INTRODUCTION

### 1.0 LOCAL AGENCY FORMATION COMMISSIONS

#### 1.1. Authority and Objectives

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



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

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

<sup>1</sup> Reference California Government Code Section 56000 et. seq.

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

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

## 1.2. Regulatory Responsibilities

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

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

## 1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all

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

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

sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two LAFCO planning responsibilities follows.

## Spheres of Influence

---

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

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

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

1. Present and planned land uses in the area, including agricultural and open-space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.

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



4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or special district provides water, sewer, or fire, the present and probable need for those services within any disadvantaged unincorporated communities in the existing sphere.

## Municipal Service Reviews

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

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

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

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

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by policy.

#### 1.4 LAFCO Decision-Making

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

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

## **1.5 Prescriptive Funding**

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

## **2.0 SAN DIEGO LAFCO**

### **2.1 Adopted Policies and Procedures**

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

### **2.2 Commission Information**

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

San Diego Commission Roster		
Current as of April 1, 2019		
Commissioner	Appointing Authority	Affiliation
Chair Jo MacKenze	Independent Special Districts	Vista Irrigation District
Vice Chair Ed Sprague	Independent Special Districts	Olivenhain Municipal Water District
Catherine Blakespear	Cities Selection Committee	City of Encinitas
Jim Desmond	Board of Supervisors	County of San Diego
Dianne Jacob	Board of Supervisors	County of San Diego
Mark Kersey	City of San Diego Council	City of San Diego
Andy Vanderlaan	Commission	Representative of the Public
Bill Wells	Cities Selection Committee	City of El Cajon
Chris Cate, Alternate	City of San Diego Council	City of San Diego
Greg Cox, Alternate	Board of Supervisors	County of San Diego
Serge Dedina, Alternate	Cities Selection Committee	City of Imperial Beach
Judy Hanson, Alternate	Independent Special Districts	Leucadia Wastewater District
Harry J. Mathis, Alternate	Commission	Representative of the Public

Immediate Past Members:

Bill Horn, Board of Supervisors, County of San Diego  
Lori Zapf, City of San Diego Council, City of San Diego  
Lorie Brag, Cities Selection Committee, City of Imperial Beach (alt)

## 2.3 Contact Information

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

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## CHAPTER TWO | EXECUTIVE SUMMARY

### 1.0 OVERVIEW

This report represents San Diego LAFCO's scheduled municipal service review for the Julian region in east-central San Diego County. The report has been prepared by staff and consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of municipal services in the region over the next five years relative to the Commission's regional growth management duties and responsibilities as established by the Legislature. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services in the Julian region and within the service areas of the six affected agencies directly subject to the Commission's oversight. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The purpose of the report is to produce an independent “snapshot” of municipal service levels in the Julian region and within the six affected agencies' directly under the Commission's oversight. The Commission will draw on this information in guiding subsequent sphere updates, informing future boundary changes, and if merited serve as the source document to initiate one or more reorganizations.

### 1.1 Key Premises, Assumptions, and Benchmarks

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

#### Affected Agencies

The report explicitly includes six affected local agencies that provide one or more municipal services in the Julian region under the Commission's oversight. The six affected agencies are Cuyamaca Water District, Julian Community Services District, Julian-Cuyamaca Fire Protection District, Lake Cuyamaca Recreation and Park District, Majestic Pines Community Services District, and Wynola Water District. It is also noted one of these agencies – Julian-Cuyamaca Fire Protection District – is subject to pending

dissolution proceedings. This agency remains part of the report for the benefit of documenting current service levels and serving to immune the Commission from preparing an addendum should the dissolution not proceed for any reasons.

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### **Setting the Report's Timeframe**

The timeframe for the report has been oriented to cover the next five-year period through 2023 with the former (five years) serving as the analysis anchor as contemplated under State law. Markedly, this timeframe is consistent with the five-year cycle legislatively prescribed for municipal service reviews under G.C. Section 56430.

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### **Determining the Data Collection Range or Report Period**

The period for collecting data to inform the Commission's analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2013 to 2018 with limited exceptions. This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant to the Commission in making near-term projections (i.e., data from the last five years is most pertinent in projecting trends over the next five years).

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### **Calculating Population Estimates and Projections**

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

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### **Focusing on Macro-Level Determinations**

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of municipal services. This approach informs macro-level determinations for all mandatory factors under statute in the Julian region and within the six affected agencies. When applicable, the report notes the need for more micro-level analysis as part of addendums or future municipal service reviews.

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## **Benchmarking Infrastructure Needs and Deficiencies**

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The report and its analysis focuses on averages system demands generated in each affected agency's service area during the 60-month study period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands generated during the study period and helps to mitigate against one- year outliers in analyzing overall relationships with capacities.

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## **Benchmarking Fiscal Solvency**

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Several diagnostic tools are used to assess and make related determinations on each affected agency's financial solvency based on a review of available audited information during the report term, fiscal years 2013 to 2018. This includes an emphasis on analyzing current ratio, debt-to-net assets, and total margin. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin and calculated to track overall trends and final-year standing.

## **2.0 STUDY ORGANIZATION**

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.<sup>6</sup> This includes addressing the mandatory service and governance factors required by the Legislature anytime San Diego LAFCO performs a municipal service review. The Executive Summary is preceded by individual agency profiles (Chapter Three) of all six affected agencies responsible for providing one or more public services in the Julian region under the direct oversight of the Commission in San Diego County. These profiles transition between narrative descriptions of the background and development of these agencies' service areas to quantifying specific data-driven categories and headlined by population and demographic trends, service capacities, and financial standing.

## **3.0 GEOGRAPHIC AREA & AFFECTED AGENCIES**

The geographic area designated for this municipal service review is approximately 81 square miles in size or 52,000 acres.<sup>7</sup> The geographic area has been purposefully designated by the Executive Officer to include all six local agencies in the greater Julian region under San Diego LAFCO oversight and separately provide one of three subject services: water; fire protection;

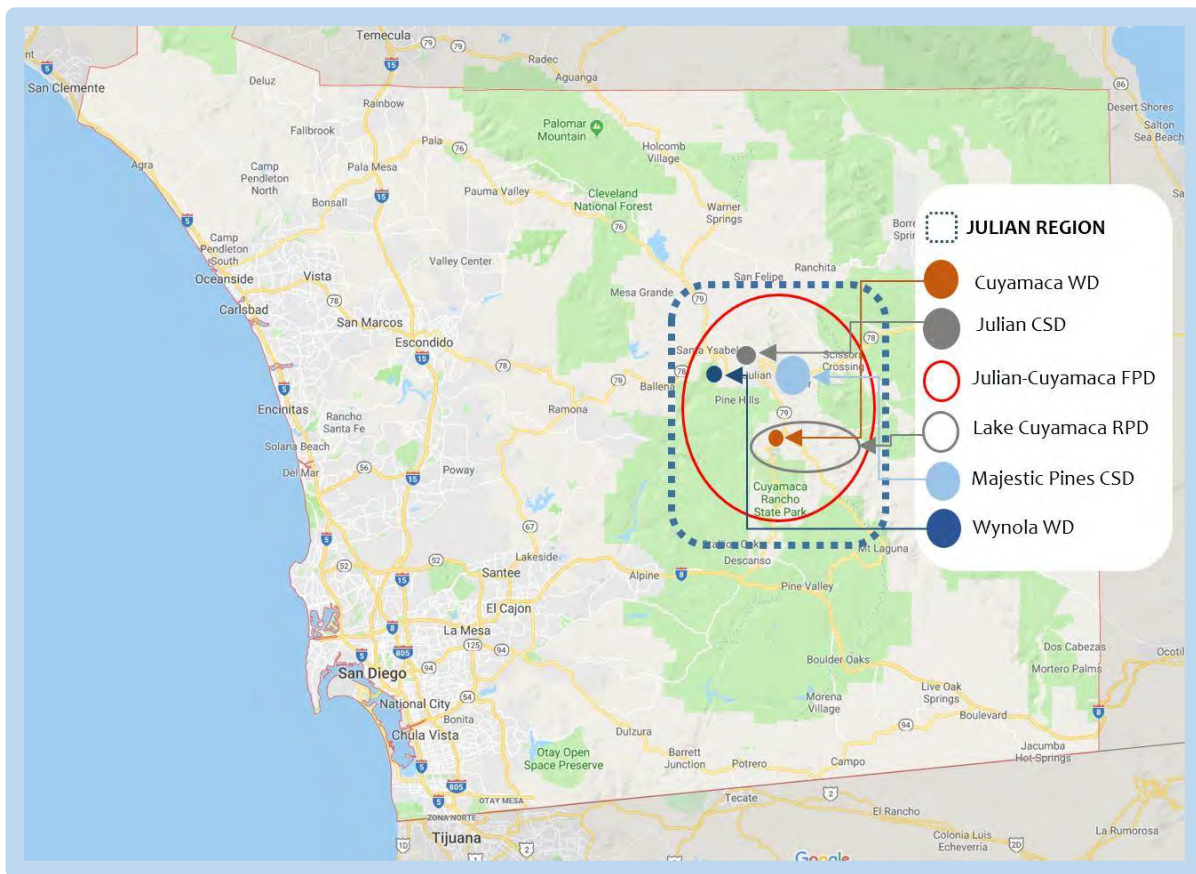
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<sup>6</sup> The Executive Summary purposefully distinguishes between "conclusions," "determinations," and "recommendations." Conclusions refer to general policy takeaways. Determinations address specific legislative factors. Recommendations address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

<sup>7</sup> The geographic area generally follows the jurisdictional boundary of the Julian-Cuyamaca FPD.



and community recreation. These six affected agencies and their service areas within the designated geographic area are shown in the map below.



## 4.0 REPORT SUMMARY

### 4.1 General Conclusions

The Julian region comprises a sizeable portion of unincorporated San Diego County that is approximately the same geographical size as the Tri-City area (Oceanside, Vista, and San Marcos). The region remains largely rural, however, with an estimated fulltime population of 3,550 that increases to approximately 4,000 with second home residents arriving during weekends and summer months. There is also a significant tourist impact on daytime population in the region throughout the year and most notably in the fall months with annual apple-harvesting activities. Recent growth during the five-year report period has slightly exceeded historical rates with an estimated annual population increase of 0.80% and resulted in an approximate net addition of 300 fulltime residents and 160 new housing units. Notwithstanding the new growth, there remains no substantial demographic differences

within the individual communities that comprise the region – Cuyamaca, Julian, Lake Cuyamaca Resort, Kentwood-in-the Pines, Whispering Pines, and Wynola - with respect to common social and economic measurements. Towards this end, the region and residents within these communities tend to be measurably older, retired, and with less household income than the countywide averages.

The County of San Diego remains the primary provider of most municipal services in the region and this includes community planning, law enforcement, road maintenance, and waste disposal.<sup>8</sup> The other municipal services in the region are the principal responsibility of the six affected local agencies under the Commission’s oversight and subject to this report: Cuyamaca WD; Julian CSD; Julian-Cuyamaca FPD; Lake Cuyamaca RPD; Majestic Pines CSD; and Wynola WD. All six of these affected local agencies were formed between 1961 and 1993 with most assuming service responsibilities from an earlier service provider (private and public) that – and for different reasons – did not meet community needs.

A review of the six affected agencies relative to the Commission’s growth management tasks and interests produces seven central conclusions. These conclusions collectively address the availability, need, and adequacy of the municipal services provided by the affected agencies and entirely generated from information detailed in the succeeding sections. Additionally, these conclusions are premised on the Commission’s own independent assessment relative to San Diego LAFCO’s growth management interests and generally drawn from the information collected and analyzed between 2014 and 2018.

- **No. 1 | Role in Supporting County Planning in Backcountry**

All six affected agencies were voluntarily formed by landowners to accommodate localized interests in the Julian region beginning in the 1960s. The agencies’ functions – i.e., water, fire protection, and community recreation – have grown in importance and are necessary in supporting current and planned uses in the region as well as providing a social and economic anchor for the greater “Backcountry” area.

- **No. 2 | Diseconomies of Scale**

Community preferences and supporting County land use policies therein to retain the rural nature of the Julian region limits the affected agencies in spreading out their costs among an expanding pool of landowners and/or ratepayers. This dynamic is particularly pertinent to the four agencies tasked with providing water service – Cuyamaca WD, Julian CSD, Majestic Pines CSD, and Wynola WD – where their costs to maintain physical infrastructure systems is prone to increases irrespective of management efficiencies.

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<sup>8</sup> The County also provides wastewater services for a small portion of the region that comprises the downtown Julian area.

- **No. 3 | Variations in Civic Engagement**

There exist marked differences in the level of civic engagement between the six affected agencies in the Julian region and their constituencies. All of the affected agencies operate websites, but only half provide access to agenda information. Some of the agencies regularly conduct monthly meetings while others are prone to cancellations and often meet only a few times a year. Further, most of the agencies have relied on appointments to fill one or more of their board seats in contrast to holding open and competitive elections.

- **No. 4 | Immediate Merit to Reorganize Julian-Cuyamaca FPD**

LAFCO recently approved a proposed reorganization initiated by the subject agencies to dissolve Julian-Cuyamaca FPD and concurrently transfer service responsibilities to the County of San Diego's Fire Authority through County Service Area No. 135. Approval was protested and currently on hold pending the final results of a special election. Markedly, should the reorganization proposal not proceed for any reason, LAFCO should consider initiating its own reorganization to dissolve Julian-Cuyamaca FPD and transfer services to the County Fire Authority as authorized State law.

- **No. 5 | Additional Merit to Explore Functional or Political Consolidations**

The constraints on economizing costs through new development and/or users in the Julian region suggest it would be prudent for the four affected agencies providing water service to explore opportunities to achieve greater efficiencies through functional and/or political consolidations. These discussions could be facilitated by the Commission and premised on identifying baseline options and deferring to the agencies to determine if sufficient interest exists thereafter to warrant more detailed exploration.

- **No. 6 | Most Agencies Have Adequate and Excess Capacities**

The majority of the affected agencies in the Julian region have developed adequate capacities to meet existing and anticipated demands in their jurisdictional boundaries into the immediate future less one notable exception. This exception involves Julian-Cuyamaca FPD whose fire protection and ambulance transport services are already over-capacity relative to available resources and increasingly dependent on outside providers to meet demands.

- **No. 7 | Financial Stresses Underlying Service Provision**

All six affected agencies have experienced moderate to significant financial stresses during the report period. These stresses are reflected by all of the agencies incurring negative trends in their savings ratio – ability to add to unrestricted reserves – as well as most experiencing multiple years of total and operating margin losses.

## 4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO and or by the affected agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations 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 SANDAG in developing buildout estimates specific to each affected agency in the Julian region and incorporate the information into the next scheduled municipal service review.
2. Should the current reorganization proposal involving Julian-Cuyamaca FPD not proceed for any reason, it would be appropriate for San Diego LAFCO to initiate its own and similar action in the future based on the analysis of this municipal service review and as authorized under Government Code Section 56375(a)(3).
3. San Diego LAFCO should make available staff resources to convene and facilitate stakeholder meetings among the four affected agencies in the Julian region that provide water service to explore available options and benefits therein of functional or political consolidations.
4. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with completing an upcoming municipal service review on the San Diego County Sanitation District and its provision of wastewater services in unincorporated areas of San Diego County – including a portion of the Julian region.
5. All six affected agencies in the Julian region should review the new and prescriptive requirements in Assembly Bill 2257 and Senate Bill 929 and make conforming changes to their websites as needed and in step with improving their communication with constituents and the general public.

6. San Diego LAFCO should proceed and update the spheres of influence all of the affected agencies in the Julian region with no changes, and in doing so satisfy its planning requirement under Government Code Section 56425.

## 5.0 WRITTEN DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this study's subsequent sections.

The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services in the Julian region specific to the Commission's growth management role and responsibilities. An abridged version of these determinations will be separately prepared for Commission consideration and adoption with the final report.

These determinations detail the pertinent issues relating to the planning, delivery, and funding of public services in the Julian region relative to the Commission's interests. Determinations based on data collected and analyzed between 2014 and 2018.

### 5.1 Growth and Population Projections

1. LAFCO estimates there are 3,550 total fulltime residents collectively served by six affected agencies in the Julian region as of the end of the report period.
2. The estimated total fulltime resident population at the end of the report period of 3,550 is entirely captured within Julian-Cuyamaca FPD with over one-half therein – or 2,010 – also located within other five affected agencies as follows.
  - (a) 165 residents in Cuyamaca WD
  - (b) 315 residents in Julian CSD
  - (c) 245 residents in Lake Cuyamaca RPD
  - (d) 1,112 residents in Majestic Pines CSD
  - (e) 173 residents in Wynola WD

3. The combined estimated annual rate of new fulltime population growth in the Julian region during the report period has been 0.80%, and is one-fifth lower than the corresponding rate for the entire San Diego County.
4. LAFCO estimates the combined resident population in the Julian region during weekends and/or peak summer months increases by nearly one-tenth to 3,877 in conjunction with the occupancy of second homes.
5. LAFCO assumes the estimated growth rates in the Julian region and within each of the affected agencies over the report period will hold in the immediate future given no significant developments are presently vested or proposed. To this end, it is projected the region will add 158 new fulltime residents and total 3,708 by 2028.
6. The projected total fulltime resident population over the succeeding five-year period - 3,708 residents - is entirely captured within Julian-Cuyamaca FPD boundary and separately apportioned within the other five affected agencies as follows.
  - (a) 173 residents in Cuyamaca WD
  - (b) 329 residents in Julian CSD
  - (c) 256 residents in Lake Cuyamaca RPD
  - (d) 1,163 residents in Majestic Pines CSD
  - (e) 180 residents in Wynola WD
7. LAFCO estimates the housing market has produced 80 new dwelling units in the Julian region over the five-year report period. This estimate represents less than 0.11% of the corresponding total new housing unit supply produced in San Diego County.
8. Household sizes have increased in the Julian region by nearly one-fifth over the preceding five-year period with gains in all six affected agencies' boundaries.
9. LAFCO should coordinate with the County of San Diego and develop buildout estimates specific to each affected special district in the Julian region and incorporate the information into the next scheduled municipal service review.



10. A review of current demographic information reveals no substantial differences within the six affected agencies in the Julian region, and as such indicates the individual communities are relatively homogenous in social and economic standing.
11. Residents in the Julian region are measurably older with a median age of 46.3 and nearly one-third higher than the corresponding countywide average of 35.3. This distinction in age is similarly illustrated with 33.8% of the region now collecting retirement compared to only 17.7% in all of San Diego County.
12. There has been a downward trend in economic resources in the Julian region with the unemployment and poverty rates increasing substantially over the preceding five-year period compared to an overall decrease in unemployment and slight increase in poverty within San Diego County.
13. The number of non-English speaking residents in the Julian region has more than doubled over the report period from 1.7% to 5.8%, but remains significantly below the 15.0% rate for all of San Diego County.

## 5.2 Location and Characteristics of Any Disadvantaged Unincorporated Communities

1. The majority of the Julian region currently qualifies as a disadvantaged unincorporated community under State and local policy. Furthermore, a significant amount of lands immediately to the north and east of the region and the six affected agencies presently qualifies as disadvantaged unincorporated communities.
2. State law emphasizes LAFCO consider the availability of fire protection, water, and wastewater services in disadvantaged unincorporated communities as part of the municipal service review process. To this end, the following statements apply.
  - (a) All lands in and immediately adjacent to the Julian region that qualify as disadvantaged unincorporated communities receive fire protection services from either Julian-Cuyamaca FPD or County Service Area No. 135.
  - (b) The majority of lands within and immediately adjacent to the Julian region that qualify as disadvantaged unincorporated communities receive water service from Cuyamaca WD, Julian CSD, Majestic Pines CSD, Wynola WD, or a private mutual water company.

- (c) A small portion of lands within and immediately adjacent to the Julian region that qualify as disadvantaged unincorporated communities receive wastewater services from San Diego County Sanitation District.

### 5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The majority of the six affected agencies tasked with providing one or more municipal services within the Julian region have generally maintained a status quo with respect to relying on existing infrastructure and related facilities over the report period. Furthermore, none of the affected agencies have significant capital improvement projects planned over the succeeding five-year period.
2. The following statements apply to the Cuyamaca WD with respect to the availability, adequacy, and performance of its active municipal service: domestic water.
  - (a) Cuyamaca WD's water system has generally sufficient and excess capacity to meet current annual and average day demands under normal conditions with less certainty in single dry-year periods. Additional informational is needed to assess the adequacy of the system during peak-day demands.
    - i. Average annual water demands generated during the report period for the entire distribution system represents 32.7% of Cuyamaca WD's accessible maximum groundwater supply. It is assumed this available capacity under normal conditions will remain substantially unchanged through 2023.
    - ii. LAFCO projects – and absent a site-specific assessment – average annual water demands generated during the report period would represent 125.6% of Cuyamaca WD's estimated accessible raw groundwater supply under single-dry year drought conditions, and as such necessitate the District initiating voluntary and/or mandatory restrictions.
    - iii. Additional information is needed to assess system capacities with respect to supply and storage under peak-day demands.
  - (b) Cuyamaca WD has received eight drinking water violations from the State Water Quality Control Board since 2000. The last violation was issued in September 2010.



- (c) Additional information is needed to assess changes in Cuyamaca WD's daily water demands as measured by fulltime residents over the five-year report period for comparison to the corresponding growth rate in determining whether usage is intensifying or de-intensifying.
3. The following statements apply to the Julian CSD with respect to the availability, adequacy, and performance of its active municipal service: domestic water.
- (a) Julian CSD has sufficient and excess capacity in its water system to meet current and projected demands through the planning term of this report.
    - i. Average annual water demands generated over the report period for the entire distribution system represents 12.8% of Julian CSD's accessible maximum groundwater supply. This ratio is expected to slightly increase based on current usage trends to 14.3% by 2023.
    - ii. LAFCO projects – and absent a site specific assessment – average annual water demands generated over the five-year report period would represent 49.2% of Julian CSD's projected accessible raw groundwater supply under single-dry year drought conditions.
    - iii. The highest peak-day demand recorded in Julian CSD during the report period equaled 0.091 million gallons, and represents 25.3% of the District's available daily raw groundwater supply under normal conditions.
    - iv. Average peak-day demands generated over the report period for the entire distribution system represents 66.6% of Julian CSD's total existing daily treatment capacity. This ratio is expected to decrease based on current usage trends to 52.5% by 2023.
    - v. Julian CSD's potable water storage capacity can accommodate up to 5.3 consecutive days of average peak-day demands generated over the report period without recharge. This ratio is expected to increase based on current usage trends to 6.8 by 2023.
  - (b) Julian CSD has received 24 drinking water violations from the State Water Quality Control Board since 2000. The last violation was issued in October 2015.

- (c) Julian CSD's daily water demands as measured by fulltime residents slightly increased over the report period by 4.1% from 148 gallons to 154 gallons. This generally parallels the growth rate within the District of 4.3% and shows usage intensity has remained substantially the same.
4. The following statements apply to the Julian-Cuyamaca FPD with respect to the availability, adequacy, and performance of its active municipal services: fire protection; emergency medical; and ambulance transport.

(a) Julian-Cuyamaca FPD's integrated fire protection and emergency medical services are dependent on available and otherwise able community volunteers and supplemented by interested reserves generally drawn from local academies. The availability of these resources have shown to be limited and resulted in decreasing service levels over the report period.

i. The current staffing model consisting of volunteers and reserves to provide fire protection and emergency medical – and despite good faith efforts – has become antiquated and resulted in Julian-Cuyamaca FPD experiencing substantive service fluctuations and deficits during the report period.

ii. Overall onsite incidents within Julian-Cuyamaca FPD have averaged 1.3 daily over the report period. These demands have also increased overall by 13.8% and attributed to increased tourism in the Julian region.

iii. One of Julian-Cuyamaca FPD's two fire stations serving the Cuyamaca area has become unsafe to operate and in need of substantial improvements to meet current building and safety codes.

iv. The County of San Diego and CALFIRE have significantly supplemented fire protection and emergency medical services in Julian-Cuyamaca FPD during the report period, and in doing so help mitigate otherwise significant service deficiencies in the District. This is marked by the County and CALFIRE responding exclusively to one-fourth of all onsite responses in the District during the report period.

v. Julian-Cuyamaca FPD has responded exclusively to less than one-fifth of all onsite incidents within the District during the report period.

- (b) Julian-Cuyamaca FPD's ambulance transport services were established in 2014 in conjunction with being awarded an exclusive operating contract through the County of San Diego to serve the greater Julian area, which includes all of the District plus an additional 368 square miles. Limited resources have curtailed the District to strive to meet only the minimum contract requirement of providing one ambulance at all times during the report period.
  - (i) Staffing levels have fluctuated over the report period and currently consist of seven employees divided between two paramedics and five emergency medical technicians. This level of staffing leaves Julian-Cuyamaca FPD susceptible to coverage shortfalls.
  - (ii) Overall onsite incidents requiring ambulance transport within Julian-Cuyamaca FPD's contract service area have averaged 1.6 daily over the report period. These demands have increased overall by 18.8% and attributed to increased tourism paired with societal changes in medical care delivery.
  - (iii) Julian-Cuyamaca FPD operates one ambulance within an approximate 449 square mile. This deployment is insufficient and results in ongoing risk of delays and/or dependency on outside providers to respond to multiple incidents within the District.
  - (iv) Onsite responses in Julian-Cuyamaca FPD from outside ambulance providers have increased by more than one-fourth or 28.6% over the report period and underscore the need for the District to increase its own resources.
5. The following statements apply to the Lake Cuyamaca RPD with respect to the availability, adequacy, and performance of its lone municipal service: community recreation.
- (a) Lake Cuyamaca RPD's community recreation services include fish stocking, day services, and overnight services. Additional information is needed to assess service levels and will be incorporated into the final report.

6. The following statements apply to the Majestic Pines CSD with respect to the availability, adequacy, and performance of active municipal service: domestic water.

- (a) Majestic Pines CSD has sufficient and excess capacity in its water system to meet current and projected demands through the planning term of this report.
  - i. Average annual water demands generated over the report period for the entire distribution system represents 13.1% of Majestic Pines CSD's accessible maximum groundwater supply. This ratio is expected to slightly increase based on current usage trends to 14.1% by 2023.
  - ii. LAFCO projects – and absent a site-specific assessment – the average annual water demand generated during the report period would represent 50.4% of Majestic Pines CSD's projected accessible raw groundwater supply under single-dry year drought conditions.
  - iii. The highest peak-day demand recorded in Majestic Pines CSD during the report period equaled 0.310 million gallons, and represents 48.4% of the District's available daily raw groundwater supply under normal conditions.
  - iv. Average peak-day demands generated over the report period for the entire distribution system represents 25.9% of Majestic Pines CSD's total existing daily treatment capacity. This ratio is expected to decrease based on current usage trends to 17.3% by 2023.
  - v. Majestic Pines CSD's potable water storage capacity can accommodate up to 4.6 consecutive days of average peak-day demands generated over the report period without recharge. This ratio is expected to increase based on usage trends to 5.8 by 2023.
- (b) Majestic Pines CSD has received a total of four drinking water violations from the State Water Quality Control Board since 2000. The last violation was issued in May 2010.

- (c) Majestic Pines CSD's daily water demands as measured by fulltime residents remained relatively stagnant over the five-year report period at 81 gallons. This contrasts with the parallel growth rate within the District of 4.3% and shows residents are de-intensifying usage.
7. The following statements apply to the Wynola WD with respect to the availability, adequacy, and performance of its active municipal service: domestic water.
- (a) Wynola WD has sufficient and excess capacity in its water system to meet current and projected demands through the planning term of this report.
- i. Average annual water demands generated over the report period for the entire distribution system represents 5.7% of Wynola WD's accessible maximum groundwater supply. This ratio is expected to slightly decrease based on current usage trends to 4.5% by 2023.
  - ii. LAFCO projects – and absent a site-specific assessment – the average annual water demand generated during the report period would represent 21.8% of Wynola WD's projected accessible raw groundwater supply under single-dry year drought conditions.
  - iii. The highest peak-day demand recorded in Wynola WD during the five-year report period equaled 0.080 million gallons, and represents 27.1% of the District's available daily raw groundwater supply under normal conditions.
  - iv. Wynola WD's potable water storage capacity can accommodate up to 2.1 consecutive days of average peak-day demands generated over the report period without recharge. This ratio is expected to slightly increase based on usage trends to 2.5 by 2023.
- (b) Wynola WD has received a total of five drinking water violations from the State Water Quality Control Board since 2000. The last violation was issued in September 2010.

- (c) Wynola WD's daily water demands as measured by fulltime residents significantly decreased over the report period by two-fifths or (39.6%) from 139 gallons to 84 gallons. This contrasts with the corresponding growth rate within the District of 4.3% and suggests residents are de-intensifying usage.
8. Other pertinent municipal services in the Julian region are primary provided by the County of San Diego and include community planning, law enforcement, road maintenance, waste disposal, and – specific to the region's developed center – wastewater. Community preferences to elevate the range and level of these County-provided services would require local funding and presumably need to delegate to an existing or new special district.

#### **5.4 Agencies' Financial Ability to Provide Services**

1. The six affected agencies in the Julian region operate with modest means in providing municipal services to their constituents and have experienced – albeit to different degrees – financial stresses during the report period.
2. The combined net position of the six affected agencies in the Julian region increased by one-third less than the corresponding inflation rate for the San Diego region during the report period.
3. Overall unrestricted fund balances for the six affected agencies in the Julian region collectively decreased during the report period by more than one-fifth.
4. Opportunities to increase direct revenues among all six affected agencies in the Julian region is substantively constrained given two external factors. First, opportunities to spread-out costs among additional customers is restricted given community preferences – which are reflected in local land use policies – to limit new growth. Second, opportunities to raise charges, fees, and/or establish assessments are constrained under State law to require majority voter approval.
5. The following statements apply to Cuyamaca WD.

- (a) Cuyamaca WD's net position modestly improved over the report period with an ending amount of \$0.278 and resulting in an overall change of 3.6%. All of the ending net position is categorized as unrestricted and sufficient to cover 30 months of operating expenses based on recent actuals.
  - (b) Cuyamaca WD experienced an average annual total margin loss of (2.1%) during the report period. The operating margin experienced a similar loss of (2.6%).
  - (c) Over the course of the report period, Cuyamaca WD has experienced a negative trend with respect to its total margin with a 9% reduction in total revenue and an increase in total expenses at nearly twice that rate.
6. The following statements apply to Julian CSD.
- (a) Julian CSD's net position steadily decreased over the report period with an ending amount of \$1.310 million and reflecting an overall change of (9.8%). The ending amount is also entirely categorized as restricted or invested in capital.
  - (b) Julian CSD experienced an average annual total margin loss of (23.3%) during the report period. The operating margin also finished with an average loss of (9.5%) and underlies a considerable portion of total expenses involve debt payments.
  - (c) Over the course of the report period, Julian CSD has made considerable progress in erasing its total margin deficit with growth in total revenues outpacing growth of operating expenses at a rate of 24 to 1.
7. The following statements apply to Julian-Cuyamaca FPD.
- (a) Julian-Cuyamaca FPD's net position remained relatively stagnant over the report period with an ending amount of \$3.300 million and reflecting an overall change of 0.8%. Close to one-fourth of the ending net position is categorized as unrestricted and sufficient to cover seven months of operating expenses based on recent actuals.

- (b) Julian-Cuyamaca FPD experienced an average annual total margin gain of 26.0% during the report period. The operating margin – however – finished with an average loss of (73.5%) and denotes the District's dependency on unique and otherwise one-time revenues, such as grants, loans, and donations.
- (c) Over the course of the report period, Julian-Cuyamaca FPD has experienced a negative trend with respect to its total margin with growth of total expenses outpacing growth of total revenues at a rate of by nearly one-half.

8. The following statements apply to Lake Cuyamaca RPD.

- (a) Lake Cuyamaca RPD's net position significantly improved over the report period with an ending amount of \$2.609 million and reflecting an overall change of 38.4%. Close to one-tenth of the ending net position is categorized as unrestricted and sufficient to cover four months of operating expenses based on recent actuals.
- (b) Lake Cuyamaca RPD experienced an average annual total margin gain of 7.0% during the report period with a matching operating margin.
- (c) Over the course of the report period, Lake Cuyamaca RPD has successfully eliminated its operating margin deficit with total revenues increasing by 1.3% and total expenses decreasing by nearly five times that amount and resulting in an overall growth rate of 121%.

9. The following statements apply to Majestic Pines CSD.

- (a) Majestic Pines CSD's net position decreased over the report period with an ending amount of \$1.708 million and reflecting an overall change of (6.9%). One-fourth of the ending net position is categorized as unrestricted and sufficient to cover eight months of operating expenses based on recent actuals.
- (b) Majestic Pines CSD is the only affected agency in the Julian region with pension obligations and therefore subject to different net position reporting requirements. With adjustments to exclude pension reporting the ending net position tallies \$1.934 million and reflects an overall change of 5.4% and raises reserve coverage by four additional months.



- (c) Majestic Pines CSD experienced an average annual total margin of 6.3% during the report period. The operating margin – however – finished with an average loss of (14.8%) and attributed to a sizable deficit occurring in 2016-2017.
- (d) Over the course of the report period, Majestic Pines has experienced a sizeable negative trend with respect to its total margin with growth of total expenses outpacing growth of total revenues at a rate of nearly 20 to 1.

10. The following statements apply to Wynola WD.

- (a) Wynola WD's net position significantly improved over the report period with an ending amount of \$0.455 million and reflecting an overall change of 41.9%. Close to one-third of the ending net position is categorized as unrestricted and sufficient to cover 27 months of operating expenses based on recent actuals.
- (b) Wynola WD experienced an average annual total margin loss of (45.5%) during the report period with a matching operating margin. These losses are attributed to significant deficits occurring in the first three years of the report period. Over the last two years – and following a sizable water rate increase – these margins have averaged a gain of 23.1%.
- (c) Over the course of the report period, Wynola WD has experienced a negative trend with respect to its total margin with a 50% reduction in total revenues and 10% growth in total expenses.

## 5.5 Status and Opportunities for Shared Facilities and Resources

1. The six affected agencies in the Julian region have developed an informal network to communicate current and pending activities within their respective service areas and share best practices that ultimately benefit their constituents.
2. LAFCO recommends all six affected special districts in the Julian region expand and formalize their relationships and pursue cooperative arrangements to increase their respective economics of scale in procuring common services and supplies.

3. LAFCO recommends the four special districts providing water service in the Julian region jointly invest resources to prepare a water reliability report assessing each system's available supplies under different hydrologic periods based on shared planning assumptions.
4. LAFCO recommends the three affected special districts in the Julian region that are not already members of the California Association of Special Districts – Cuyamaca WD Lake Cuyamaca RPD, Majestic Pines CSD – consider participating in its free trial membership.

## 5.6 Local Accountability and Government Restructure Options

1. LAFCO recently approved a proposed reorganization initiated by the subject agencies to dissolve Julian-Cuyamaca FPD and concurrently transfer service responsibilities to the County of San Diego's Fire Authority through County Service Area No. 135. Approval was protested and currently awaiting the final results of a special election. Should the reorganization proposal not proceed for any reason, it would be appropriate for LAFCO to initiate its own and similar action in the future based on the analysis of this municipal service review and as authorized under Government Code Section 56375(a)(3).
2. The four affected special districts in the Julian region providing municipal water service face substantially similar operating and governance challenges. With this in mind, and at the discretion of the agencies to participate, it is recommended LAFCO make available staff resources to convene and facilitate stakeholder meetings to discuss options and benefits therein of functional or political consolidations.
3. LAFCO is separately scheduled to prepare a municipal service review on the San Diego County Sanitation District and its provision of wastewater services in unincorporated areas of San Diego County – including a portion of the Julian region. The analysis associated with this pending municipal service review may merit LAFCO revisiting this document and related governance options.
4. All six affected agencies in the Julian region operate websites. The content and usefulness of these websites, however, varies significantly and in some cases do not meet the minimum requirements established under recent legislation (Assembly Bill 2257 and Senate Bill 929). At a minimum all six affected agencies should review the

new legislation and make conforming changes to their websites as needed and in step with improving their communication with constituents and the general public.

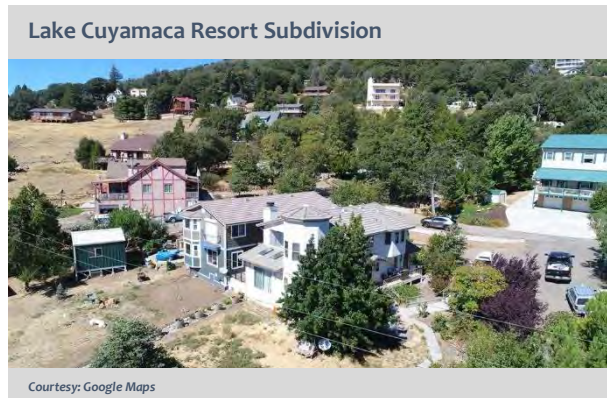
5. None of the six affected agencies in the Julian region report providing municipal services beyond their jurisdictional boundaries. There also does not appear to be any pending needs or demands to establish services outside the affected agencies' existing boundaries and/or spheres of influence. Accordingly, and absent new information, it would be appropriate for LAFCO to proceed with updating and affirming – with no changes – all six affected agencies' spheres of influence.

## CHAPTER THREE | AGENCY PROFILES

### A. CUYAMACA WATER DISTRICT

#### 1.0 OVERVIEW

The Cuyamaca Water District (WD) is an independent special district formed in 1982. Formation proceedings were initiated by landowners for purposes of assuming domestic water service responsibility from a private mutual water company in support of the Lake Cuyamaca Resort Subdivision in the unincorporated community of Julian. Cuyamaca WD encompasses an approximate 0.41 square mile or 260-acre jurisdictional boundary and comprises mostly residential uses as well as campground concessions at Lake Cuyamaca. Governance is provided by a five-person board whose members are directly elected at-large by registered voters and serve staggered four-year terms.



Cuyamaca WD is currently organized as a limited purpose agency with municipal activities presently tied to only providing domestic water service. All water supplies are locally sourced through groundwater. Cuyamaca WD is also authorized – subject to LAFCO approving latent power activations – to provide wastewater and hydroelectric power services. The operating budget at the term of the report period (2017-2018) was \$0.095 million. The last audited financial statements cover 2017-2018 and show the net position totaling \$0.279 million and entirely categorized as unrestricted. This latter amount translates to sufficient reserves to cover 30 months of normal operating expenses.

LAFCO independently estimates the fulltime resident population within Cuyamaca WD is 165 as of the term of this report period and accommodated through 124 current housing units with close to two-fifths suspected as serving as second homes. This latter estimate suggests the resident population increases to approximately 230 during weekends and/or summer months. It is also projected the estimate of fulltime residents represents an overall increase of 10 since 2010 with a resulting annual growth rate of 0.81%, which is more than one-tenth below the corresponding countywide growth rate of 0.94%. The median household income

within Cuyamaca WD is \$63,818 based on the current five-year period average and is the highest in the Julian region.

## **2.0 BACKGROUND**

### **2.1 Community Development**

Cuyamaca WD is part of the unincorporated community of Julian with the latter's present-day development beginning with the discovery of gold in the 1860s with additional details footnoted.<sup>9</sup> The area comprising Cuyamaca WD slowly developed thereafter with shoreline cabin uses following the construction of a dam in 1888 along Boulder Creek, which formed Lake Cuyamaca and served as one of the first water works projects in San Diego County. The area subsequently transitioned from cabins to single-family residences and marked by the County's approval of the first phase or unit of the Lake Cuyamaca Resort Subdivision in 1924. The development of the subdivision subsequently resulted in the creation of a private mutual water company to construct and operate a community water system.

### **2.2 Formation Proceedings**

Cuyamaca WD's formation was petitioned by landowners in 1981 to take over domestic water service responsibilities for a private mutual water company. The formation of Cuyamaca WD was specific to providing domestic water service only; no other powers were proposed and/or envisioned for the District in the initiating application materials. LAFCO approved the formation with voter confirmation in April 1982.

### **2.3 Post Formation Proceedings**

A summary of notable activities undertaken by Cuyamaca WD and/or affecting the District's service area following formation in 1982 is provided below.

- LAFCO performs its first formal review of Cuyamaca WD since its formation in conjunction with establishing a sphere for the District in 1984.
- LAFCO approves a concurrent sphere amendment and annexation of approximately 33 acres to Cuyamaca WD involving adjacent campground sites owned and operated by the Lake Cuyamaca Recreation and Park District in 2006.

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<sup>9</sup> An expanded overview of the development of the Julian region is provided in the profile section for the Julian-Cuyamaca Fire Protection District beginning on page 68 of this report.

- LAFCO updates with no changes Cuyamaca WD's sphere in 2007 and 2013.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

Cuyamaca WD's existing boundary spans approximately 0.41 square miles in size and covers 260 unincorporated acres (parcels and public rights-of-ways) within one contiguous area. The jurisdictional boundary is entirely within the County of San Diego's land use authority and subject to the Cuyamaca Community Plan. The jurisdictional boundary is anchored by the Lake Cuyamaca Resort Subdivision. Overall there are currently 130 registered voters.

Cuyamaca WD's jurisdictional boundary spans 260 acres. The current density ratio is 1.6 residents per acre.

Total assessed value (land and structure) within Cuyamaca WD is set at \$38.018 million as of December 2018 and translates to a per acre value ratio of \$0.146 million. The former amount – \$38.018 million – further represents a per capita value of \$0.230 million based on the estimated fulltime population of 165. As a pre-Proposition 13 agency, Cuyamaca WD does not receive any portion of the current annual \$0.380 million in property tax revenue generated in its jurisdictional boundary.

Current assessed value in Cuyamaca WD is \$38.018 million and produces an annual property tax base of \$0.380 million. However, as a pre Proposition 13 agency, Cuyamaca WD does not receive any allocation of this annual revenue.

The jurisdictional boundary is currently divided into 228 legal parcels and spans 235 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Close to four-fifths – or 81% – of the parcel acreage is under private ownership with almost two-thirds having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is undeveloped and consists of 93 vacant parcels that collectively total 69 acres. All lands within and immediately adjacent to the jurisdictional boundary qualify as a disadvantaged unincorporated community, as well as, all lands in the northern half of the jurisdictional boundary qualify as a disadvantaged unincorporated community.

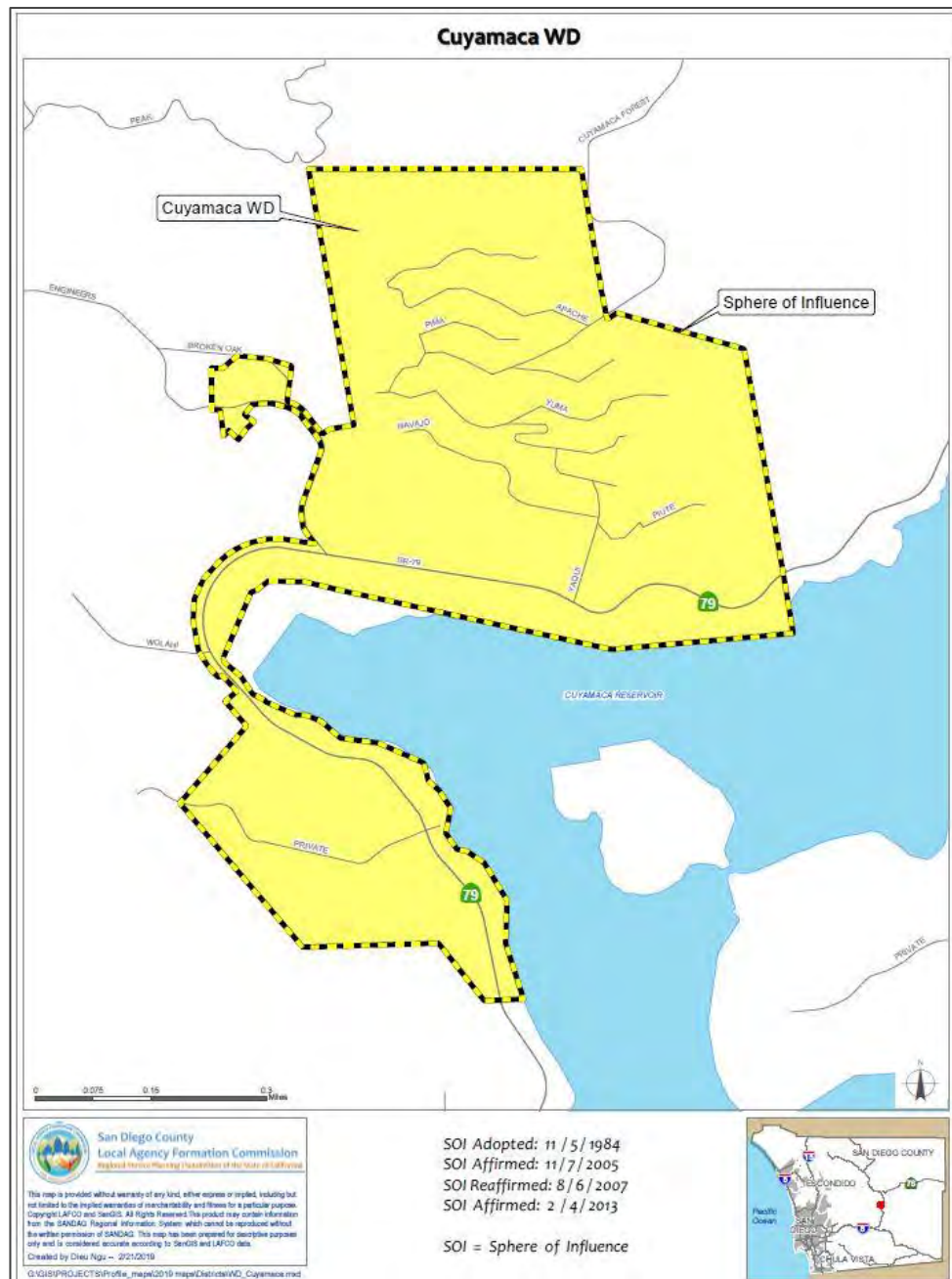
Close to 80% of the jurisdictional boundary is under private ownership with 93 parcels totaling 69 acres remaining undeveloped.



### 3.2 Sphere of Influence

Cuyamaca WD's sphere was established by LAFCO in 1984 and last reviewed and updated in 2013. The sphere is coterminous with the jurisdictional boundary, and as such implies no boundary changes or outside service extensions are anticipated in the immediate future.

### 3.3 Current Boundary and Sphere Map



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

Cuyamaca WD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 165 as of the term of the five-year report period. This amount represents 0.005% of the current countywide total. It is also estimated the fulltime population has risen overall by 6.45% from 155 in 2010 and the last census reset. This translates to an annual change of 0.81%, which is approximately one-tenth lower than the corresponding countywide growth rate of 0.94%. It is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 173 by 2023.

It is estimated there are 165 current fulltime residents within Cuyamaca WD. It is also projected the fulltime population will increase consistent with recent trends – or 0.81% annually – and reach 173 by 2023.

Cuyamaca WD   Population				
Table 4.1a (Source: Esri   LAFCO)				
Factor	2010	2018	2023	Annual Change %
Cuyamaca WD	155	165	173	0.81%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 124 residential dwelling units within Cuyamaca WD. This amount has increased by one since 2010. With respect to current housing unit totals, 48% are owner-occupied, 14% are renter-occupied, and the remaining 38% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.6 and has increased 19.2% from 2.2 over the preceding five-year period.

Housing production in Cuyamaca WD current totals 124 dwelling units. This includes the addition of one unit since 2010. The average monthly housing cost in Cuyamaca WD is \$1,243, which is one-fifth lower than the countywide average.

The mean monthly housing cost in Cuyamaca WD has increased by 6.2% from \$1,170 to \$1,243 based on the most recent five-year period averages. The mean monthly housing cost, however, remains well below the countywide average of \$1,578.

Cuyamaca WD   Housing Characteristics		
Table 4.1b (Source: Esri   LAFCO)		
Factor	Cuyamaca WD	San Diego County
2010 Housing Units	123	1,164,766
2018 Housing Units	124	1,236,184
... Change	1	71,418
2010 Household Size	2.2	2.79
2018 Household Size	2.6	2.87
... Change	19.2%	2.87%
Current Monthly Housing Cost	\$1,243	\$1,578
Current Vacancy Rate	39%	5.4%



## 4.2 Age Distribution

The median age of residents in Cuyamaca WD is 45.4 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (12.1%) from 50.9 over the preceding five-year period average. The current median age in Cuyamaca WD, nonetheless, remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 make up one-half of the total population at 50.8%.

Residents within Cuyamaca WD tend to be older with a medium age of 45.4; an amount that is more than one-fourth higher than the countywide average of 35.3. Also the majority – 50.8% – of the residents are aged within the prime working group of 25-64.

Cuyamaca WD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	50.9	45.4	(12.1%)
San Diego County	34.6	35.3	2.0%

Cuyamaca WD   Prime Working Age, 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	57.1%	50.8%	(11.0%)
San Diego County	53.4%	47.0%	(11.9%)

## 4.3 Income Characteristics

The median household income in Cuyamaca WD is \$63,818 based on the current five-year period average. This amount shows fulltime residents are receiving more pay with the median income experiencing an overall increase of 4.4% from the preceding five-year period average of \$61,109. The current median household income in Cuyamaca WD also now closely parallels the current countywide median of \$66,259. Separately, the current average rate of persons living below the poverty level in Cuyamaca WD is 9.1% and is more than one-half lower than the countywide rate of 14.0%. However, the poverty rate has also risen by 10.9% over the last five-year period and more than two-fifths higher than the change in the countywide rate for the period.

Cuyamaca WD residents' average median household income has experienced a moderate increase in recent years and is currently \$63,818. This amount is near the countywide median income \$66,529.

Cuyamaca WD   Median Household Income			
Table 4.3a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	\$61,109	\$63,818	4.4%
San Diego County	\$63,857	\$66,529	4.2%

Cuyamaca WD   Poverty Rate			
Table 4.3b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	8.2%	9.1%	10.9%
San Diego County	13.0%	14.0%	7.7%

#### 4.4 Socioeconomic Indicators

Approximately 30.3% of residents age 25 and older in Cuyamaca WD hold bachelor degrees or higher based on the current five-year period average. This is an increase of 5.7% from the preceding five-year average period and draws closer to the current countywide average total of 36.5%. Separately, the unemployment rate is 4.1% and has increased by one-third over the preceding five-year period, but remains lower than the countywide rate of 4.9%. The non-English speaking population has grown in Cuyamaca WD from 1.1% to 5.8% over the two periods; over a four-fold increase. Over one-third of the population collects retirement - 34.2% - compared to the countywide average of 17.7%.

Unemployment levels within Cuyamaca WD have increased in recent years with the current five-year average totaling 4.1%. This amount is below the current countywide average of 4.9%. Separately, Cuyamaca WD has experienced a significant rise in non-English speaking residents by more than four-fold since 2010.

Cuyamaca WD   Residents with Bachelor Degrees			
Table 4.4a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	28.7%	31.7%	5.7%
San Diego County	34.2%	36.5%	6.73%

Cuyamaca WD   Non English Speaking			
Table 4.4b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	1.1%	5.8%	435.4%
San Diego County	16.1%	15.0%	(6.83%)

## 5.0 ORGANIZATION

### 5.1 Governance

Cuyamaca WD's governance authority is established under the California Water District Act (Water Code §34000, et seq.) This principal act empowers Cuyamaca WD to provide a limited range of municipal services upon approval by LAFCO. As of date, Cuyamaca WD is authorized to only provide one municipal service: domestic water. All other powers enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing before Cuyamaca WD would be allowed to initiate. Similarly, should it ever seek to divest itself of directly providing an active service, Cuyamaca WD would also need to seek LAFCO approval at a notice public hearing. A list of active and latent Cuyamaca WD powers follow.

#### Active Service Powers

Domestic Water

#### Latent Service Powers

Wastewater

Hydroelectric Power

Cuyamaca WD has been governed since its formation in 1982 as an independent special district with registered voters comprising a five-member governing board. Members are either elected or appointed in lieu of a consented election to four-year terms with a rotating president system. The Board regularly meets on the fourth Monday of each month at the Lake Cuyamaca Restaurant located at 15027 Highway 79 in Julian. A current listing of the Board along with respective backgrounds and years served with Cuyamaca WD follows.

#### Cuyamaca WD | Current Board Roster

Table 5.1a (Source: Cuyamaca WD)

Member	Position	Background	Years on Board
Ronald Brown	President	n/a	9
Carolyn Hilfiker	Vice President	n/a	1
George Merz	Treasurer	n/a	9
Gary Anderson	Member	n/a	12
Tim Doyle	Member	n/a	9

### 5.2 Administration

Section pending.

## 6.0 MUNICIPAL SERVICES

Cuyamaca WD provides one municipal service: domestic water. A summary analysis of this service follows with respect to capacities, demands, and performance.

### 6.1 Domestic Water Service

Cuyamaca WD's domestic water services commenced at the time of its formation in 1982 and involved assuming ownership and operation of facilities previously held by a prior private mutual water company. The water system currently includes 159 metered connections and divided between residential (158) and commercial (1) within a single zone.<sup>10</sup>

#### Service Capacities

Cuyamaca WD's domestic water supplies are all locally sourced and drawn from three active groundwater wells that lie within the northern quarter of the San Diego River Watershed and divided between three sites. These active wells range in depth from 350 to 600 subsurface feet and paired with current pumping capacities collectively provide Cuyamaca WD with an estimated maximum daily raw water supply of 0.187 million gallons or 0.57 acre-feet. If operated continually these amounts would translate to an annual raw water supply of 68.238 million gallons or 209.7 acre-feet under maximum conditions. No formal analysis has been performed to quantify the reliability of the raw water sources during different hydrological periods.

Cuyamaca WD   Raw Water Supplies			
Table 6.1a (Source: Cuyamaca WD   LAFCO)			
Source	Maximum Minute Capacity	Maximum Daily Capacity	Maximum Annual Capacity
Groundwater	130 gallons	0.187 million gallons or 0.57 acre feet	68.238 million gallons or 209.7 acre feet

*Capacity amounts reflect existing pumping rates*

All water supplies generated from Cuyamaca WD's local groundwater sources receive basic chlorination before being pumped into two above-ground storage tanks located at the top of the pressure zone. Each tank is equipped with a water level indicator to automate pumping from one of the three active wells based on an operator controlled schedule. The delivery system is gravity-fed through two different loops of distribution

<sup>10</sup> Connection information reflects data on file with the State Water Quality Control Board – Drinking Water Division.

lines that provide for a connected system. The combined storage capacity within the distribution system is 0.335 million gallons or 1.0 acre-feet.

Cuyamaca WD   Water Storage			
Table 6.1b (Source: Cuyamaca WD   LAFCO)			
Name	Constructed Year	Pressure Zone	Capacity
Tank No. 1	1987	Cuyamaca	0.125 million gallons
Tank No. 2	2002	Cuyamaca	0.210 million gallons
Total			0.335 million gallons or 1.03 acre-feet

## Service Demands

Cuyamaca WD's average annual water demand production over the five-year report period has been 22.000 million gallons or 67.5 acre feet. No other information on recent and/or current service demands has been provided as of date.

Cuyamaca WD   Water Demands							
Table 6.1c (Source: Cuyamaca WD)							
Category	2014	2015	2016	2017	2018	Average	Trend
Annual Total	n/a	n/a	n/a	n/a	n/a	22.283 mg or 67.5 af	n/a
Average Day Total	n/a	n/a	n/a	n/a	n/a	61,050 g	n/a
... Per Resident	n/a	n/a	n/a	n/a	n/a	375 g	n/a
Peak Day Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a
.... Peaking Factor	n/a	n/a	n/a	n/a	n/a	n/a	n/a

mg = million gallons  
af = acre feet

## Service Performance

Cuyamaca WD's domestic water system is operating with sufficient and excess capacity in supply with respect to accommodating exiting annual demands generated during the five-year report period. (Cuyamaca WD does not treat its groundwater supplies other than applying chorine.) It is assumed – but not quantifiable given limited information – the supply and storage can also accommodate demands, including peak-day usage, over the next five year period with the notable exception of anticipated supply shortfalls during single dry-year events. A prominent variable also remains and it involves the resiliency of Cuyamaca WD's raw water supplies during different hydrological periods.

The following statements summarize and quantify existing and projected relationships between Cuyamaca WD's capacities and demands now and going forward towards 2023. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements that all public community water systems have

sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

#### Water Supplies:

- Average annual water production demands generated over the five-year report period for the entire distribution system represents 32.7% of Cuyamaca WD's accessible maximum raw water supply. It is assumed pending additional analysis the available capacity under these conditions will remain substantially unchanged over the next five-year period.
- It is assumed for planning purposes in this report the average annual water production demand generated over the five-year report period for the entire distribution system would represent 125.6% of Cuyamaca WD's projected accessible raw supply under single-dry year conditions as footnoted.<sup>11</sup> Voluntary and/or mandatory water restrictions, consequently, would be needed.
- No information is available with respect to peak-day demands in Cuyamaca WD over the five-year report period at this time. Accordingly, it is not known whether Cuyamaca WD's daily raw water supplies can independently accommodate high usage periods within the District.

#### Water Storage:

- No information is available with respect to peak-day demands in Cuyamaca WD over the five-year report period at this time. Accordingly, it is not known whether Cuyamaca WD's water storage can independently accommodate high usage periods within the District.

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<sup>11</sup> In the absence of a site-specific assessment LAFCO is referencing the State Water Project Delivery Report (2013) and its use of the 1976-1977 drought as a baseline year to project single-dry year conditions and the reduction therein in water supplies by 74% relative to normal/maximum conditions. Under this projection Cuyamaca WD's available raw water supply would be reduced from 209.7 acre-feet to 54.5 acre-feet.

### Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows eight violations for drinking water standards have been issued to Cuyamaca WD since 2000. The last violation was issued in April 2018 and categorized as major and involved a positive test of trichloropropane.
- Cuyamaca WD's most recent water quality report was issued in January 2018 and shows the results of self-monitoring conducted during 2017 or earlier as applicable. The report is divided into testing for both primary and secondary contaminant levels as prescribed by the State. No excessive containments were reported involving primary drinking water standards. Two excessive containments involving iron and turbidity were reported involving secondary drinking water standards.

### Water Rates

- Cuyamaca WD charges two distinct fees for water service: (a) standby and (b) user. The fees were last updated in 2019 and collectively produce an equivalent monthly residential charge of \$63.75 based on usage of 250 gallons per day.

## 7.0 FINANCES

### 7.1 Financial Statements

Cuyamaca WD contracts with an outside accounting firm (Wilkinson, Hadley, King & Co. LLP) to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes vetting the statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Cuyamaca WD's short and long-term fiscal health with specific focus on sustaining its single service function: domestic water.

Cuyamaca WD's most recent financial statements for the five-year report period were issued for 2017-2018.<sup>12</sup> These statements show Cuyamaca WD experienced a moderate negative change over the prior fiscal year as its overall net position (regular accrual basis) decreased by

Most Recent Year-Ending Financial Statements	
Assets	\$282,541
Liabilities	\$3,890
Deferred Outflow/Inflow	\$0
Net Position	\$278,651

<sup>12</sup> The audit for 2017-2018 was issued by Wilkinson, Hadley, King, and Co. on December 30, 2018.

(5.0%) from \$0.294 million to \$0.279 million and primarily attributed to increasing capital depreciation. The accompanying auditor's report did not identify any material weaknesses or related accounting concerns. A summary of year-end totals and related trends drawn from audited statements during the report period regarding assets, liabilities, and net position follows.

### Agency Assets

Cuyamaca WD's audited assets at the end of 2017-2018 totaled \$0.282 million and is 0.16% lower than the average year-end amount of \$0.283 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented one-third of the total amount – or \$0.095 million – and primarily tied to cash and investments. Assets classified as non-current represented the remaining two-thirds of the total amount – or \$0.187 million – and primarily tied to the water treatment facility. Overall assets for Cuyamaca WD have increased by 5.1% over the corresponding 60-month period.

Cuyamaca WD's Assets							
Table 7.1a   Source Cuyamaca WD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	33,751	55,657	76,122	98,070	95,220	182.1%	71,764
Non-Current	235,169	223,207	211,245	199,283	187,321	(20.3%)	211,245
	\$268,920	\$278,864	\$287,367	\$297,353	\$282,541	5.1%	\$283,009

### Agency Liabilities

Cuyamaca WD's audited liabilities at the end of 2017-2018 totaled \$3,890. No liabilities were recorded, notably, for the first two years of the five-year report period. The present amount of liabilities is entirely tied to current debts (accounts payable); no long-term debts were booked. Overall liabilities for Cuyamaca WD in the last three years of the report period have increased by 51.7%.

Cuyamaca WD's Liabilities							
Table 7.1b   Source Cuyamaca WD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	0	0	2,565	3,672	3,890	51.7%	2,025
Non-Current	0	0	0	0	0	0.0%	\$0
	-	-	\$2,565	\$3,672	\$3,890	51.7%	\$2,025



## Net Position

Cuyamaca WD's audited net position or equity at the end of 2017-2018 totaled \$0.279 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 0.82% less than the average year-end sum of \$0.281 documented during the five-year report period. All of the net position is categorized as unrestricted and can be used for any purposes. Overall the net position for Cuyamaca WD has increased by 3.6% over the corresponding 60-month period.

Cuyamaca WD's net position has modestly increased during the report period with an overall change of 3.6% from \$0.269 million to \$0.279 million.

Cuyamaca WD's Net Position							
Table 7.1c   Source Cuyamaca WD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	0	0	0	0	0	n/a	n/a
Restricted	0	0	0	0	0	n/a	n/a
Unrestricted	268,920	278,864	284,802	293,681	278,651	3.6%	280,983
	\$268,920	\$278,864	\$284,802	\$293,681	\$278,651	3.6%	\$280,983

Cuyamaca WD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled \$0.279 million and represents the available and spendable portion of the fund balance and subject to discretionary designations. The unrestricted amount represents 30 months of actual operating expenses based on 2017-2018.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by Cuyamaca WD covering the five-year report period shows the District experienced positive results in two of three measurement categories – liquidity, capital, and margin – utilized in this review. This includes liquidity levels remaining above average during the report period with days' cash increasing by more than two-fold and ending at 281. Similarly, the current ratio ended the period at 24.5. Cuyamaca WD also maintained high capital levels throughout the period and finished with a debt ratio of only 1% and translates to 99% of the net position not being subject to any external financing. In contrast, margin level showed the greatest range and/or volatility during the report period and ultimately decreased from (0.2%) to (15.9%). A summary of year-end liquidity, capital, margin, and management structure ratios follow.

### Cuyamaca WD: Financial Measurements

Table 7.2a | Source LAFCO

Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	n/a	137.6	n/a	(0.2%)	(0.2%)	24	(0.2%)
2014-2015	n/a	203.2	n/a	11.1%	11.1%	19	12.5%
2015-2016	29.7	278.3	1%	6.3%	6.3%	18	6.7%
2016-2017	26.7	386.5	1%	9.3%	12%	26	10.2%
2017-2018	24.5	280.9	1%	(15.9)	(15.9)	27	(13.7%)
Average	27.0	257.3	1%	(2.1%)	(2.6%)	23	3.1%
Trend	(17.5%)	104.1%	n/a	(7850.0%)	(7850.0%)	12.5%	(6750.0%)

Liquidity

Capital

Margin

Management

## 7.3 Pension Obligations

Cuyamaca WD does not have recorded pension obligations.

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## B. JULIAN COMMUNITY SERVICES DISTRICT

### 1.0 OVERVIEW

The Julian Community Services District (CSD) is an independent special district formed in 1965. Formation proceedings were initiated by landowners and for the purpose of transferring domestic water service responsibilities from a private mutual water company within the downtown area of the unincorporated community of Julian. Julian CSD encompasses an approximate 0.45 square mile or 289 acres jurisdictional boundary that comprises a range of commercial, residential, and public-serving land uses. Governance is provided by a five-person board with members directly elected at-large by registered voters and serve staggered four-year terms.



Julian CSD is currently organized as a limited purpose agency with municipal activities tied to providing only domestic water service. All water supplies are locally sourced through groundwater. Julian CSD is also authorized – subject to LAFCO approving latent power activations – to provide a full range of other services under the principal act, including – but not limited to – wastewater, fire and police protection, and parks and recreation. The operating budget at the term of the report period (2017-2018) was \$0.231 million. The last audited financial statements cover 2016-2017 and show the net position totaling \$1.310 million with the unrestricted portion tallying (\$0.239 million); the substantive result of the latter amount denoting reserves are entirely restricted as a result of existing commitments.

LAFCO independently estimates the fulltime resident population within Julian CSD as of the term of the report period is 315 and accommodated through 183 current housing units with close to one-fifth suspected as serving as second homes. This latter estimate suggest the resident population increases to approximately 380 during weekends and/or summer months. It is projected this estimate of fulltime residents represents an overall increase of 20 since 2010 with a resulting annual growth rate of 0.85%, which is one-tenth below the corresponding countywide rate of 0.94%. It is also projected growth will continue consistent with recent trends given there are no substantive development projects planned in Julian

CSD and result in the fulltime population reaching 329 over the next five-year period. The median household income is \$47,846 based on the current five-year period average.

## 2.0 BACKGROUND

### 2.1 Community Development

Julian CSD is part of the unincorporated community of Julian with the latter's present-day development beginning with the discovery of gold in the 1860s with additional details footnoted.<sup>13</sup> The area comprising Julian CSD was one of the first parts of Julian to develop and marked by the creation of a downtown commercial district along Main Street with many of the original structures still remaining. The entire service area is listed by the State of California as a historical landmark.

### 2.2 Formation Proceedings

Julian CSD's formation was petitioned by landowners in 1964 to take over domestic water service responsibilities from a private mutual water company that had been operating since the 1940s. The petition filing followed a series of regulatory actions taken by the State to place a moratorium on the mutual water company's ability to add new connections due to infrastructure deficiencies and marked by inadequate supplies. The State also prohibited the mutual water company from issuing additional stock, which prohibited it from raising funds to improve the water system. These events led the mutual water company and its owners – all of whom were landowners in the area – to petition the formation proceedings and transition water service responsibilities to a public agency eligible to apply and access government subventions to make the necessary improvements. LAFCO approved the formation with voter confirmation in February 1965.

### 2.3 Post Formation Activities

A summary of notable activities undertaken by Julian CSD and/or affecting the District's jurisdictional boundary following its formation in 1965 is provided below.

- Julian CSD drills a new well site north of its central service area in early 1970s. The resulting "Volcan Well" assumes status as the primary groundwater producer.

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<sup>13</sup> An expanded overview of the development of the greater Julian region is provided in the profile section for the Julian-Cuyamaca Fire Protection District beginning on page 68 of this report.

- Julian CSD declares a moratorium on new water connections in February 1987 in response to concerns regarding the sufficiency of storage supplies for fire protection purposes. The District lifts the moratorium in August 1988.
- LAFCO performs its first formal review of Julian CSD since formation in conjunction with establishing a sphere for the District in 1988.
- Julian CSD declares a moratorium on new water connections in July 1989 due to increasing water shortages emanating from a regional drought. The District lifts the moratorium later the same year.
- The State Water Resources Control Board commences an investigation into Julian CSD's water supplies after benzene is discovered in June 1989 as part of a new testing requirement for all community systems. The State's investigation traces the cause to leaking underground fuel storage tanks in the service area affecting several wells. The owner of the fuel tanks (Chevron) agrees to fund the establishment of a carbon filter for Julian CSD and conduct regular testing going forward.<sup>14</sup>
- Julian CSD develops a new well field outside of its service area at the base of Volcan Mountain in 1994, which becomes the primary water source proceeding forward.
- Julian CSD receives its first violation notice from the State Water Resources Control Board in March 2002 for exceeding coliform traces in the water supply. More than 20 subsequent violations for a variety of containment detections are issued to Julian CSD through 2015
- Julian CSD applies and receives a \$0.250 million grant in October 2009 as part of the American Recovery and Reinvestment Act of 2009. The proceeds are used to fully fund the replacement of approximately 2,800 feet of 60+ year old transmission lines as well as install new fire hydrants throughout the service area.
- LAFCO updates and affirms Julian CSD's sphere in 2007 and 2013 with no changes.

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<sup>14</sup> Between August 31, 1989 and September 13, 1989 all Julian CSD customers were advised to use only bottle water while a new treatment system was implemented.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

Julian CSD's existing boundary spans approximately 0.45 square miles in size and covers 289 unincorporated acres (parcels and public rights-of-ways) between two non-contiguous areas. The jurisdictional boundary is entirely within the land use authority of the County of San Diego and subject to the Julian Community Plan. The jurisdictional boundary is anchored by downtown Julian and includes a mix of commercial, public, and residential uses. Overall there are 209 registered voters currently within the jurisdictional boundary.

Julian CSD's jurisdictional boundary spans 289 acres. The current density ratio is 0.9 residents per acre.

Total assessed value (land and structure) within Julian CSD is set at \$50.797 million as of December 2018 and translates to a per acre value ratio of \$0.175 million. The former amount – \$50.797 million – further represents a per capita value of \$0.161 million based on the estimated service population of 315. Julian CSD receives 0.000697% of the 1.0% in property taxes collected.

Current assessed value in Julian CSD is \$50.797 million and produces an annual property tax base of \$0.508 million. Less than 0.001% of the property tax revenue is allocated to Julian CSD.

The jurisdictional boundary is currently divided into 293 legal parcels and spans 254 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Close to nine-tenths – or 88% – of the parcel acreage is under private ownership with three-fourths having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is undeveloped and consists of 95 vacant parcels that collectively total 37 acres. All lands within and immediately adjacent to the jurisdictional boundary qualify as a disadvantaged unincorporated community.

Close to 90% of the jurisdictional boundary is under private ownership with 95 parcels totaling 37 acres remaining undeveloped.

#### 3.2 Sphere of Influence

Julian CSD's sphere was established by LAFCO in 1988 and last reviewed and updated in 2013. The sphere is completely coterminous with Julian CSD's jurisdictional boundary and reflects an existing Commission expectation no boundary changes or outside service extensions are anticipated in the immediate future



**Julian CSD**

Julian CSD  
Sphere of Influence

Julian CSD  
Sphere of Influence

0 0.2 0.4 0.8 Miles

San Diego County Local Agency Formation Commission  
<http://www.san-diego-county-lafac.com>

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Created by Drew Page -- 2/20/2018

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SOI Adopted: 4 / 4 / 1988  
SOI Affirmed: 8 / 6 / 2007  
SOI Affirmed: 8 / 5 / 2013

SOI = Sphere of Influence

SAN DIEGO COUNTY  
SAN DIEGO  
IMPERIAL VALLEY  
MEXICO  
CALIFORNIA



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

Julian CSD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 315 as of the term of the five-year report period. This amount represents 0.009% of the countywide total. It is also estimated the resident population has risen overall by 6.8% from 295 in 2010 and the last census reset. This amount translates to an annual change of 0.85%, which is one-tenth below the countywide rate of 0.94%. It is projected the current growth rate will continue into the near-term and result in the population increasing to 329 by 2023.

It is estimated there are 315 current fulltime residents within Julian CSD. It is also projected the resident population will increase consistent with recent trends – or 0.85% annually – and reach 329 by 2023.

#### Julian CSD | Resident Population

Table 4.1a (Source: Esri | LAFCO)

Category	2010	2018	2023	Annual Change %
Julian CSD	295	315	329	0.85%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 183 residential housing units within Julian CSD. This amount represents an overall increase of 11 units since 2010 and translates to an average production rate of 1.4 new housing units per year. Further, 55% of the current housing unit total are owner-occupied, 25% are renter-occupied, and the remaining 20% are vacant with a sizeable portion suspected to serve as second homes. The average household size is 2.3 and has increased 3.5% over the preceding five-year period. The mean monthly housing cost has slightly decreased by (1.27%) from \$1,134 to \$1,120 based on the most recent five-year period averages, and is below the countywide cost of \$1,578.

Housing production in Julian CSD current totals 183 dwelling units. This includes the addition of 11 units – or 1.4 per year – since 2010. The average monthly housing cost in Julian CSD is \$1,120, and close to one-third lower than the countywide average.

#### Julian CSD | Housing Characteristics

Table 4.1b (Source: Esri | LAFCO)

Factor	Julian CSD	San Diego County
2010 Housing Units	172	1,164,766
2018 Housing Units	183	1,236,184
... Change	11	71,418
2010 Household Size	2.25	2.79
2018 Household Size	2.33	2.87
... Change	3.53%	2.87%
Current Monthly Housing Cost	\$1,120	\$1,578
Current Vacancy Rate	20.2%	5.4%

## 4.2 Age Distribution

The median age of residents in Julian CSD is 48.4 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (6.5%) from 51.8 over the preceding five-year period average. The current median age in Julian CSD remains significantly higher – or older – than the countywide average of 34.6. Residents in the prime working age group defined as ages 25 to 64 make up less than half of the total population at 46.8% and parallels the countywide average of 47.0%. This former amount also has decreased in Julian CSD by (16.9%) over the preceding five-year period.

Residents within Julian CSD tend to be older with a medium age of 48.4; an amount that is more than one-third higher than the countywide average of 35.3. Also the majority – 53.2% - of the residents are aged outside the prime working group of 25-64.

Julian CSD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	51.8	48.4	(6.5%)
San Diego County	34.6	35.3	2.0%

Julian CSD   Prime Working Age, 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	56.3%	46.8%	(16.9%)
San Diego County	53.4%	47.0%	(11.9%)

## 4.3 Income Characteristics

The median household income in Julian CSD is \$47,846 based on the current five-year period average. This amount shows fulltime residents are receiving less pay with the median income experiencing an overall decrease of (26.6%) from the preceding five-year period average of \$65,210. The current median household income in Julian CSD is also much lower in comparison to the current countywide median of \$66,259.

Julian CSD residents' average median household income has experienced a sharp decrease in recent years and is currently \$47,846. This amount is more than one-third less than the average countywide median income of \$66,259.

Separately, the current average rate of persons that are living below the poverty level in Julian CSD is 10.5% and lower than the countywide rate of 14.0%. However, this gap is closing with the poverty rate in Julian CSD rising by 36.0% over the last five-year period and more than five times the corresponding change countywide.

Julian CSD   Median Household Income			
Table 4.3a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	\$65,210	\$47,846	(27.7%)
San Diego County	\$63,857	\$66,529	4.2%

Julian CSD   Poverty Rate			
Table 4.3b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	7.74%	10.53%	36.0%
San Diego County	13.0%	14.0%	7.7%

#### 4.4 Socioeconomic Indicators

Approximately 32% of Julian CSD residents that are age 25 and older hold bachelor degrees or higher based on the current five-year period average. This is an increase of 3.5% from the preceding five-year average period and nears the countywide average of 36.5%. Separately, the unemployment rate is 2.8% and marks a one-third decrease from 4.3% from the earlier five-year average and is lower than the countywide average of 4.9%. The non-English speaking population has grown in Julian CSD from 1.7% to 8.3%; a three-fold increase. Nearly one-third or 31.8% of the population collects retirement.

Unemployment levels within Julian CSD have decreased in recent years with the current five-year average totaling 2.8%. This amount is more than one-half lower than the current countywide average. Separately, Julian CSD has experienced a significant rise in non-English speaking residents by more than three-fold since 2010.

Julian CSD   Residents with Bachelor Degrees			
Table 4.4a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	31.6%	32.7%	3.51%
San Diego County	34.2%	36.5%	6.73%

Julian CSD   Non English Speaking			
Table 4.4b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Julian CSD	1.71%	8.33%	386.78%
San Diego County	16.1%	15.0%	(6.83%)

## 5.0 ORGANIZATION

### 5.1 Governance

Julian CSD's governance authority is established under the Community Services District Law (Government Code §61000-61850). This principal act empowers Julian CSD to provide a full range of municipal services upon approval by LAFCO with the notable exception of direct land use control. As of date, Julian CSD is authorized to provide one municipal service: domestic water. All other powers enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing before Julian CSD would be allowed to initiate. Similarly, should it ever seek to divest itself of directly providing an active service, Julian CSD would also need to seek LAFCO approval at a noticed public hearing. A list comparing Julian CSD's active and latent powers follows.

#### **Active Service Powers**

Water (Domestic Only)

#### **Latent Service Powers**

Fire Protection  
Road, Bridge, and Curb  
Park and Recreation  
Police Protection  
Street Lighting  
Street Landscaping  
Street Cleaning  
Wastewater  
Reclamation  
Solid Waste  
Vector Control  
Animal Control  
Broadband Facilities  
Television and Radio Facilities  
Library  
Weed and Rubbish Abatement  
Hydroelectric  
Security  
Cemetery  
Finance Area Planning Commissions  
Finance Municipal Advisory Councils  
Mailbox Services

Julian CSD has been governed since its formation in 1965 as an independent special district with registered voters comprising a five-member governing board. Members are either elected or appointed in lieu of a consented election to staggered four-year terms with a rotating president system. The Board regularly meets on the third Tuesday each month at 2645 Farmers Road in Julian. A current listing of Julian CSD Board of Directors along with respective backgrounds and years served with the District follows.

Julian CSD   Current Board Roster			
Table 5.1a (Source: Julian CSD)			
Member	Position	Background	Years on Board
William (Bill) H. Porter Jr.	President	n/a	n/a
Scott A. Arter	Treasurer	n/a	n/a
Herbert J. Ackermann	Director	n/a	n/a
Kristine Greenlee	Director	n/a	n/a
Roberta (Bobbi) Zane	Director	n/a	n/a

## 5.2 Administration

Section pending.

## 6.0 MUNICIPAL SERVICES

Julian CSD provides one municipal service: domestic water. A summary analysis of this service follows with respect to capacities, demands, and performance.

### 6.1 Domestic Water Service

Julian CSD's domestic water services commenced at the time of its formation in 1965 and involved assuming ownership and operation of facilities previously held by a prior private mutual water company.<sup>15</sup> The water system currently includes 215 metered connections and divided between residential (142), commercial (70), and agriculture (3) within a single zone.<sup>16</sup>

<sup>15</sup> The water system was immediately expanded following Julian CSD's formation to remedy supply shortages that had previously resulted in the State issuing a moratorium on new connections. The moratorium was subsequently lifted and the water system remained relatively unchanged for the next several decades. Notable infrastructure improvements began in the 1990s with the establishment of a treatment system funded by the Chevron Company and followed in the 2010s with the replacement of nearly 2,800 feet of the distribution system through a grant award from the American Recovery and Reinvestment Act.

<sup>16</sup> Connection information reflects data on file with the State Water Quality Control Board – Drinking Water Division.

## Service Capacities

Julian CSD's domestic water supplies are all locally sourced and drawn from four active groundwater wells that lie within the northern quarter of the San Diego River Watershed and divided between two sites: Volcan Mountain and Jess Martin Park. Pumping rates at the well sites collectively provide Julian CSD with an estimated maximum daily raw water supply of 0.360 million gallons or 1.10 acre-feet. If operated continually these amounts would translate to an annual raw water supply of 131.140 million gallons or 403.2 acre-feet under maximum conditions. No formal analysis has been performed to quantify the reliability of the raw water sources during different hydrological periods.

### Julian CSD | Raw Water Supplies

Table 6.1a (Source: Julian CSD | LAFCO)

Source	Maximum Minute Capacity	Maximum Daily Capacity	Maximum Annual Capacity
Groundwater	250 gallons	0.360 million gallons or 1.10 acre feet	131.140 million gallons or 403.2 acre feet

Capacity Amounts Reflect Existing Pumping Rates

All raw water supplies generated from the local groundwater sources are filtered by Julian CSD at a treatment facility located off of Farmer Road to remove iron and manganese. The daily treatment capacity is 0.125 million gallons or 0.38 acre-feet. Booster pumps convey treated water to two storage tanks located at the height of the single pressure zone with a combined capacity of 0.440 million gallons or 1.4 acre-feet. The tanks collectively provide pressure throughout the distribution system with an automated signal to activate pumps from the treatment facility as needed.

### Julian CSD | Treatment Facility

Table 6.1b (Source: Julian CSD | LAFCO)

Name	Targeted Contaminants	Daily Treatment Capacity
Julian WTP	Iron and Manganese	0.125 million gallons or 0.38 acre-feet

### Julian CSD | Treated Water Storage

Table 6.1c (Source: Julian CSD | LAFCO)

Name	Constructed Year	Pressure Zone	Capacity
Tank No. 1	n/a	Julian	0.220 million gallons
Tank No. 2	n/a	Julian	0.220 million gallons
Total			0.440 million gallons or 1.35 acre-feet

## Service Demands

Julian CSD's average annual water demand production over the five-year report period has been 16.797 million gallons or 51.5 acre feet. The most recent year-end amount showed total demand at 17.677 million gallons or 54.2 acre-feet and represents an average daily water demand of 48,430 gallons or 0.15 acre-feet. This latter amount is further broken down into equivalents of 225 gallons per day for every service connection and 154 gallons for every estimated fulltime resident. The average peak-day demand – the highest one-day sum in a given year – over the report period has been 83,200 gallons or 0.26 acre-feet. This latter amount produces an average peaking factor of 1.82 and shows high-demand periods increase water usage in Julian CSD by four-fifths.

With respect to trends, Julian CSD has experienced an overall increase of 7.3% in water demands – or 1.5% annually – over the five-year report period. The overall increase in water demands during the corresponding 60-month period exceeds the estimated sum change in population of 4.25% and suggests residents have intensified their water usage. This latter comment is further illustrated in daily per fulltime resident use increasing from 148 gallons to 154 gallons, a difference of 4.1%.

Julian CSD daily water demands as measured by per fulltime resident use has increased by 4.1% over the five-year report period from 148 gallons to 154 gallons. This contrasts with the growth rate of 4.25% during the report period and suggests residents are intensifying their water uses

Julian CSD   Water Demands							
Table 6.1d (Source: Julian CSD and LAFCO)							
Category	2014	2015	2016	2017	2018	Average	Trend
Annual Total	16.474 mg or 50.55 af	15.391 mg or 47.22 af	17.138 mg or 52.58 af	17.033 mg or 52.26 af	17.677 mg or 54.24 af	16.797 mg or 51.54 af	7.30%
Average Day Total	45,135 g	42,169 g	46,952 g	46,666 g	48,430 g	46,020 g	7.30%
... Per Resident	148 g	137 g	151 g	149 g	154 g	151 g	4.1%
Peak Day Total	86,300 g	88,100 g	90,900 g	75,700 g	75,000 g	83,200 g	(13.1%)
.... Peaking Factor	1.91	2.09	1.94	1.62	1.55	1.82	(18.8%)

mg = million gallons  
af = acre feet

## Service Performance

Julian CSD's domestic water system is currently operating with sufficient and excess capacity in supply and storage with respect to accommodating existing demands based on usage generated during the five-year report period. It is also believed – but not documented in this report – Julian CSD's treatment capacity sufficiently accommodates existing demands. Supply, treatment, and storage capacities are similarly expected to accommodate anticipated demands over the next five-year period. A prominent



variable, however, remains and it involves the resiliency of Julian CSD's raw water supplies during different hydrological periods.

The following statements summarize and quantify existing and projected relationships between Julian CSD's capacities and demands now and going forward to 2023. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

#### Water Supplies:

- Average annual water production demands generated over the five-year report period for the entire distribution system represents 12.8% of Julian CSD's accessible maximum raw supply. Assuming current trends continue this ratio will increase to 14.3% by 2023.
- It is assumed for planning purposes in this report the average annual water production demands generated over the five-year report period for the entire distribution system would represent 49.2% of Julian CSD's projected accessible raw supply under single-dry year conditions as footnoted.<sup>17</sup> Assuming current trends continue this ratio will increase to 55.7% by 2023.
- Average peak-day water production demands generated over the five-year report period represent 23.1% of the new daily raw water supply available to Julian CSD under normal conditions. Assuming current trends continue the peak-day demand relative to available raw water supply will decrease to 18.1% by 2023.

#### Water Treatment:

- Average peak-day water projection demands generated over the five-year report period for the entire distribution system represents 66.6% of Julian CSD's existing daily treatment capacity. Assuming current trends continue this ratio will decrease to 52.5% by 2023.

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<sup>17</sup> In the absence of a site-specific assessment LAFCO is referencing the State Water Project Delivery Report (2013) and its use of the 1976-1977 drought as a baseline year to project single-dry year conditions and the reduction therein in water supplies by 74% relative to normal/maximum conditions. Under this projection Julian CSD's available raw water supply is reduced from 403.2 to 104.8 acre-feet.



### Water Storage:

- Average peak-day water projection demands generated over the five-year report period for the entire distribution system represents 18.9% of Julian CSD's existing total potable storage capacity. Assuming current trends continue this ratio will decrease to 14.8% by 2023.
- Julian CSD's potable storage capacity can accommodate up to 5.3 consecutive days of average peak-day demands generated over the five-year report period for the entire distribution system without recharge. Assuming current trends continue this ratio will increase to 6.8 by 2023.

### Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows 24 violations for drinking water standards have been issued to Julian CSD since 2000. The last series of violations were issued in October 2015 and categorized as major and involve a positive test of exceeding levels of nitrates.
- Julian CSD's most recent water quality report was issued in July 2018 and shows the results of self-monitoring conducted during 2017 or earlier as applicable. The report is divided into testing for both primary and secondary contaminants as prescribed by the State. No excessive primary or secondary contaminants were identified.

### Water Rates

- Julian CSD charges two distinct fees for water service: (a) standby and (b) user. The fees were last updated in 2016 and collectively produce an equivalent monthly residential charge of \$106.00 based on the usage of 250 gallons per day.

## 7.0 FINANCES

### 7.1 Financial Statements

Julian CSD contracts with an outside accounting consultant (Douglas R. Ashbrook) to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes vetting the statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Julian CSD's short and long-term fiscal health with specific focus on sustaining its single service function: domestic water.

Julian CSD's most recent financial statements for the five-year report period were issued for 2016-2017.<sup>18</sup> These statements show Julian CSD experienced a modest negative change over the prior fiscal year as its overall net position (regular accrual basis) decreased by (3.4%)

from \$1.356 million to \$1.310 million and primarily attributed to an increase in liabilities. The accompanying auditor's report did not identify any weaknesses or related accounting concerns. A summary of year-end totals and related trends drawn from audited statements during the report period regarding assets, liabilities, and net position follows.

Most Recent Year-Ending Financial Statements	
Assets	\$1,728,168
Liabilities	\$417,973
Deferred Outflow/Inflow	\$0
Net Position	\$1,310,195

#### Agency Assets

Julian CSD's audited assets at the end of 2016-2017 totaled \$1.728 million and is (2.4%) lower than the average year-end amount of \$1.769 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented less than one-tenth of the total amount – or \$0.104 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining nine-tenths plus of the total – or \$1.624 million – with 47.0% of this amount being tied to four well sites. Overall assets for Julian CSD have decreased by (5.4%) over the corresponding 48-month period.

Julian CSD's Assets							
Table 7.1a   Source Julian CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	177,140	168,827	109,011	104,241	n/a	(41.2%)	139,805
Non-Current	1,650,596	1,595,735	1,647,977	1,623,927	n/a	(1.6%)	1,629,559
	\$1,827,736	\$1,764,562	\$1,756,988	\$1,728,168	n/a	(5.4%)	\$1,769,364

<sup>18</sup> The audit for 2017-2018 was issued by Douglas R. Ashbrook on November 28, 2017.

## Liabilities

Julian CSD's audited liabilities at the end of 2016-2017 totaled \$0.418 million and is 8.2% higher than the average year-end amount of \$0.386 million documented during the five-year report period. Liabilities classified as current and representing obligations owed in the near-term accounted for slightly more than one-tenth of the amount and tied to accounts payable, including debt payments tied to two loans with the California Department of Water Resources.<sup>19</sup> Overall liabilities for Julian CSD have increased by 11.2% over the corresponding 48-month period.

Julian CSD's Liabilities							
Table 7.1b   Source Julian CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	39,750	39,710	44,479	52,338	n/a	31.7%	44,069
Non-Current	336,165	310,156	356,688	365,635	n/a	8.8%	342,161
	\$375,914	\$349,866	\$401,167	\$417,973	n/a	11.2%	386,230

## Net Position

Julian CSD's audited net position or equity at the end of 2016-2017 totaled \$1.310 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (5.3%) lower than the average year-end sum of \$1.383 million documented during the five-year report period. The positive portion of the net position is entirely tied to capital assets and/or legally restricted. The unrestricted portion of the balance ended the report period at (\$0.240 million). Overall the net position has decreased by (9.8%) over the corresponding 48-month period.

Julian CSD's net position has decreased during the report period with an overall change of (9.8%) from \$1.452 million to \$1.310 million.

Julian CSD's Net Position							
Table 7.1c   Source Julian CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	1,041,993	1,041,933	1,041,993	1,041,993	n/a	0.0%	1,041,978
Restricted	484,822	489,605	499,025	507,931	n/a	4.8%	495,346
Unrestricted	(74,993)	(116,902)	(185,197)	(239,729)	n/a	219.7%	(154,205)
	\$1,451,822	\$1,414,636	\$1,355,821	\$1,310,195	n/a	(9.8%)	1,383,119

Julian CSD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled (\$0.239 million).

<sup>19</sup> As of June 30, 2017, the outstanding payment balance for the two loans with the State of California totals \$283,182.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by Julian CSD covering the five-year report period shows the District has experienced negative financial changes in all three measurement categories – liquidity, capital, and margin – utilized in this review. Liquidity levels have experienced the largest change with the current ratio decreasing from 4.5 to 2.0 and representing an overall decrease of (55.3%) and leaving Julian CSD with \$2.00 in available cash for every \$1.00 in pending and due debts. Days' cash also decreased by (48.5%) and leaving Julian CSD with available funds to cover 141 days of normal business operations. Available capital also decreased with the debt ratio increasing by 17.6% from 21% to 24% with the latter representing the portion of net assets subject to external financing. The total margin also finished each year in a deficit with an overall average of (23.2%). A summary of ear-end liquidity, capital, margin, and management structure ratios follow.

Julian CSD: Financial Measurements							
Table 7.2a   Source LAFCO							
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	4.5	325	21%	(22.6%)	(22.6%)	23	(18.4)
2014-2015	4.3	295	20%	(0.1%)	(0.1%)	24	(0.1)
2015-2016	2.5	155	23%	(12.2%)	(12.2%)	25	(10.8)
2016-2017	2.0	145	24%	(3.2%)	(3.2%)	24	(3.1)
2017-2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average	3.3	230	22%	(9.5%)	(9.5%)	24	(0.1)
Trend	(55.3%)	(55%)	17.6%	(86.1%)	(86.1%)	5.3%	(83.4%)

Liquidity

Capital

Margin

Management

## 7.3 Pension Obligations

Julian CSD does not have any recorded pension obligations.

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## D. JULIAN-CUYAMACA FIRE PROTECTION DISTRICT

### 1.0 OVERVIEW

The Julian-Cuyamaca Fire Protection District (JCFPD) is an independent special district formed in 1983. Formation proceedings were initiated by landowners for purposes of formalizing and merging services volunteer services within the unincorporated community of Julian. JCFPD encompasses an approximate 81.2 square mile or 52,148 acre jurisdictional boundary with land uses ranging from agriculture to residential paired with commercial in downtown Julian. Governance is provided by a five-person board whose members are directly elected at-large by registered voters and serve staggered four-year terms.



JCFPD is organized as a limited purpose agency with municipal operations activities tied to providing three distinct services: (a) structural fire protection; (b) emergency medical; and (c) ambulance with the latter dependent on a contract with the County of San Diego. It is also authorized – subject to LAFCO approving latent power expansions – to provide hazardous material transport/disposal and weed and rubbish abatement. The operating budget at the term of the report period (2017-2018) was \$0.563 million. The last audited financial statements cover 2017-2018 and show the net position totaling \$3.300 million with the unrestricted portion tallying \$0.798 million. This latter amount represents the equivalent of covering seven months of recent agency-wide operating expenses.

LAFCO independently estimates the fulltime resident service population within JCFPD is 3,550 as of the term of this report period and accommodated through 2,122 current housing units with close to one-fourth serving as second homes. This latter estimate suggests the resident population increases to approximately 3,877 during weekends and/or summer months. It is projected this estimate represents an overall increase of 327 fulltime residents since 2010 with a resulting annual growth rate of 0.85%, which contrasts with the corresponding countywide change of 0.94%. It is also projected growth will continue consistent with recent trends given there are no substantive development projects planned in Julian and result in the fulltime population reaching 3,708 over the next five-year period to 2023. The median household income is \$61,312 based on current five-year period averages.

## 2.0 BACKGROUND

### 2.1 Community Development

JCFPD's present-day service area began its development as a mining settlement with the discovery of gold in the 1860s. The community of Julian subsequently emerged in the early 1870s and named after one of its earliest homesteaders, Mike Julian. Within a few years of the first mine opening the population of Julian reached approximately 1,500 with commercial development along Main Street taking form and highlighted by opening of hotels, boarding houses, and a general store. The community of Cuyamaca – which means “behind the clouds” to the indigenous Native Kumeyaay Americans – similarly, albeit at a lesser scale, began to develop during the 1870s with a peak population of 500 before all but disappearing by the end of the century in conjunction with the closure of the gold mines. (Cuyamaca would later reemerge as a semi-rural residential community paired with the creation of the Cuyamaca Rancho State Park in 1933.) Julian weathered the closure of the gold mines by transitioning the local economy towards agriculture and helped to stabilize the population at an estimated census count of 790 in 1900. Apple tree plantings proved particularly successful and became the focal point of Julian's economy and marked by the establishment of an annual “apple day” parade in 1909. It was during this time local organized fire protection services began throughout the unincorporated areas of San Diego County following the Laguna Fire and with support from the County led to the establishment of the all-volunteer Julian and Lake Cuyamaca Fire Companies in the early 1970s.<sup>20</sup>

### 2.2 Formation Proceedings

JCFPD's formation was petitioned by landowners in 1981 to formally combine the Julian and Lake Cuyamaca Fire Companies for the explicit purposes of securing dedicated public funding to support fire and emergency medical services in the community. The proceedings, notably, were precipitated by the County of San Diego deciding in 1982 to begin drawing-down all financial support (subsidies, grants, insurance coverage, etc.) for volunteer fire companies in San Diego County and the expectation therein they would either

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<sup>20</sup> Beginning in the 1920s and through the early 1970s, County of San Diego contracted with the California Department of Forestry (CDF) to retain CDF presence in the unincorporated area during the non-fire season. In 1973, the CDF contract was expanded with increased costs to provide structural fire protection to development outside of fire protection districts. Within a year, the County concluded that the contract was too costly and moved to phase-out support for fire protection by the end of the 1970s. Unincorporated communities were encouraged to seek structural fire protection by annexing to cities or existing fire protection districts or by organizing volunteer fire companies. By 1980, over 90 square miles of unincorporated territory had undergone annexation and the number of volunteer companies grew from 5 to 35 – Including in Julian and Lake Cuyamaca.

annex or form their own special districts. The County also incentivized the transition by agreeing to allocate a portion of base property taxes to volunteer companies that reorganized into public agencies. LAFCO approved the formation with a sphere and subsequent voter confirmation in March 1983.

### **2.3 Post Formation Activities**

A summary of notable activities undertaken by JCFPD and/or affecting the District's service area following formation in 1983 is provided below.

- JCFPD transitions from an all-volunteer to combination paid/volunteer agency with the hiring of a fulltime chief in 1999.
- LAFCO approves the reorganization of County Service Area (CSA) No. 135 with expanded powers to provide fire protection and emergency medical services in 2008 and includes lands immediately adjacent to JCFPD.
- LAFCO updates and affirms with no changes JCFPD's sphere in 2005 and in 2007.
- JCFPD voters approve \$50 annual special parcel tax in 2006 to fund new fire station to serve the Julian service area. JCFPD concurrently receives 6.4 acres of land from the Frances H. Mosler Trust at 3407 Highway 79 to construct the new fire station.
- County of San Diego commences an annual \$60,000 subsidy in 2015 to help support JCFPD operations. The subsidy ends in 2018.
- County awards an exclusive operating contract with JCFPD in 2014 to provide ambulance transport services for the greater Julian region. County also agrees to assign a paramedic fire engine to help support JCFPD operations beginning in 2015.
- JCFPD completes construction on a new fire station (Station No. 56) to serve the Julian service area in 2017
- JCFPD files application for reorganization with LAFCO in April 2018 to dissolve and designate CSA No. 135 as the successor agency subject to certain term.



- LAFCO approves the reorganization to dissolve JCFPD and concurrently expand CSA No. 135's authority to assume fire protection and emergency medical services subject to protest proceedings in September 2018. LAFCO certifies the results the subsequent protest proceedings in December 2018 and through the County calls a special election for voters to confirm the reorganization. A special election by mail-ballot is subsequently scheduled for March 19, 2019.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

JCFPD's existing boundary spans approximately 81 square miles in size and covers 52,148 unincorporated acres (parcels and public rights-of-ways) within one contiguous area. The jurisdictional boundary is entirely within the land use authority

JCFPD's jurisdictional boundary spans 52,148 acres. The current density ratio is 14.7 fulltime residents per acre.

of the County of San Diego and bisected by two community planning areas: Julian to the north and Cuyamaca to the south. The northern portion of the jurisdictional boundary is anchored by the community of Julian and includes a mix of local and tourist-serving retail and commercial uses as well as public facilities. The southern half of the jurisdictional boundary makes up the Cuyamaca portion and is more rural with agrarian uses ranging from orchards to vineyards along with the Cuyamaca Rancho State Park.

Total assessed value (land and structure) within JCFPD is set at \$736.879 million as of December 2018 and translates to a per acre value ratio of \$0.014 million. The former amount further represents a per capita value of \$0.207 million based on the estimated service population of 3,550. JCFPD's set allocation of property tax proceeds – i.e., its share of the 1% collected on all assessor parcels under Proposition 13 – is \*\*%.

Current assessed value in JCFPD is \$736.879 million and produces an annual property tax base of \$7.369 million.

The jurisdictional boundary is currently divided into 4,812 legal parcels and spans 51,479 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Close to one-half – or 48% – of the parcel acreage is under private ownership with almost three-fifths having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning.

Close to 50% of the jurisdictional boundary is under private ownership with 2,433 parcels totaling 11,069 acres remaining undeveloped.

The remainder of private acreage is undeveloped and consists of 2,433 vacant parcels that collectively total 11,069 acres. Approximately three-fifths of the jurisdictional boundary

### 3.2 Sphere of Influence

JCFDP sphere was established by LAFCO in 1983 and last reviewed and updated in 2007. The sphere is nearly identical to the JCFPD jurisdictional boundary with the exception of including two distinct non-jurisdictional areas totaling 1,899 acres with the largest portion tied to the Santa Ysabel area at the intersection of State Highways 78 and 79. No part of the jurisdictional boundary lies outside the sphere.



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

JCFPD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 3,550 as of the term of the report period. This amount represents 0.11% of the countywide total. It is also estimated the fulltime resident population has expanded overall by 6.8% from 3,323 in 2010 and the last census reset; the net change of 327. The resulting annual growth rate is 0.85%, which falls below the countywide growth rate of 0.94%. It is projected the current growth rate will continue into the near-term and result in the fulltime population increasing to 3,708 by 2023.

It is estimated there are 3,550 current fulltime residents within JCFPD. It is also projected the fulltime population will increase consistent with recent trends – or 0.85% annually – and reach 3,708 by 2023.

JCFPD   Resident Population				
Table 4.1a (Source: Esri   LAFCO)				
Category	2010	2018	2023	Annual Change %
JCFPD	3,323	3,550	3,708	0.85%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 2,122 residential dwelling units within JCFPD. This amount represents an overall increase of 80 units since 2010 and translates to an average production rate of 10 new housing units per year. Further, 55% of the current housing unit total are owner-occupied while 15% are renter-occupied, and the remaining 27% are vacant with a sizable portion suspected to serve as second homes. The average household size is 2.55 and has increased 17.5% over the preceding five-year period. The mean monthly housing costs in JCFPD have increased by 4.9% from \$1,126 to \$1,180 based on the most recent five-year period averages and falls below the countywide rate of \$1,578.

Housing production in JCFPD currently totals 2,122 dwelling units. This includes the addition of 80 units – or 10 per year – since 2010. The average monthly housing cost in JCFPD is \$1,180, and close to one-fourth lower than the countywide average.

JCFPD   Housing Characteristics		
Table 4.1b (Source: Esri   LAFCO)		
Factor	JCFPD	San Diego County
2010 Housing Units	2,042	1,164,766
2018 Housing Units	2,122	1,236,184
... Change	80	71,418
2010 Household Size	2.17	2.79
2018 Household Size	2.55	2.87
... Change	17.5%	2.87%
Current Monthly Housing Cost	\$1,180	\$1,578
Current Vacancy Rate	27%	5.4%

## 4.2 Age Distribution

The median age of residents in JCFPD is 46.3 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (9.5%) from 51.2 over the preceding five-year period average. The current median age in JCFPD, nonetheless, remains

Residents in JCFPD tend to be older with a medium age of 46.3; an amount one-third higher than the countywide rate of 35.3. The number of residents outside the prime working age has increased and is now approaching one-half or 49.5% of the total.

nearly one-fourth higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 has shrunk by (16.9%) over the preceding five-year period from 56.3% to 50.5% and closer to the countywide rate of 47.0%

JCFPD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Category	2007-2011	2012-2016	Change %
	5-Year Average	5-Year Average	
JCFPD	51.2	46.3	(9.5%)
San Diego County	34.6	35.3	2.0%

JCFPD   Prime Working Age, 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Category	2007-2011	2012-2016	Change %
	5-Year Average	5-Year Average	
JCFPD	56.6%	46.8%	(16.9%)
San Diego County	53.4%	47.0%	(11.9%)

## 4.3 Income Characteristics

The median household income in JCFPD is \$61,312 based on the current five-year period average. This amount shows fulltime residents are receiving more pay with the median income experiencing an overall increase 4.1% from the preceding five-year period average of \$58,917 and now closer to the countywide rate of \$66,259. The current average rate of persons living below the poverty level in JCFPD is 10.2% and one-third lower than the countywide rate of 14.0%. However, the poverty rate in JCFPD has also increased over the preceding five-year period by nearly one-fifth.

JCFPD's median household income has experienced a moderate increase in recent years and is currently \$61,312; an amount that draws closer to the countywide rate of \$66,259. Poverty levels remain below countywide levels at 10.2%, but have also increased by almost one-fifth over the preceding five-year period.

JCFPD   Median Household Income			
Table 4.3a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
JCFPD	\$58,917	\$61,312	4.1%
San Diego County	\$63,857	\$66,529	4.2%

JCFPD   Poverty Rate			
Table 4.3b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
JCFPD	8.8%	10.2%	16.8%
San Diego County	13.0%	14.0%	7.7%

#### 4.4 Socioeconomic Indicators

Approximately 28.9% of residents age 25 and older in JCFPD hold bachelor degrees or higher based on the current five-year period average. This is an increase of 4.1% from the preceding five-average period, but still below the countywide average total of 36.5%. The unemployment rate is 4.6% and marks a one-third increase from 3.5% from the earlier five-year average and is lower than the countywide average of 4.9%. The non-English speaking population has more than doubled in Julian-Cuyamaca FPD from 1.7% to 5.8% over the two periods. Approximately one-third of the population collects retirement - 33.8% - compared to the countywide average of 17.7%.

Unemployment levels within JCFPD have decreased in recent years with the current five-year average totaling 4.6%. This amount is more than one-half lower than the current countywide average. Separately, Julian FPD has experienced a significant rise in non-English speaking residents by more than double since 2010.

JCFPD   Residents with Bachelor Degrees			
Table 4.4a (Source: American Community Survey   LAFCO)			
Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
JCFPD	27.7%	28.9%	4.1%
San Diego County	34.2%	36.5%	6.73%

JCFPD   Non-English Speaking			
Table 4.4b (Source: American Community Survey   LAFCO)			
Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
JCFPD	1.7%	5.8%	240.5%
San Diego County	16.1%	15.0%	(6.83%)

## 4.0 ORGANIZATION

### 5.1 Governance

JCFPD's governance authority is established under the Fire Protection District Law (Health & Safety Code §13800, et seq.). This principal act was originally enacted in the 1920s and empowers JCFPD to provide a moderate range of municipal services upon approval by LAFCO. As of date, JCFPD is authorized to provide three distinct municipal services: (a) structural fire protection (b) emergency medical services; and (c) ambulance transport. All other latent powers enumerated under the principal act would need to be formally activated by LAFCO before JCFPD would be allowed to initiate. Similarly, should JCFPD seek to divest itself of directly providing any of its activated services, it would need to receive LAFCO approval. A list of active and latent JCFPD powers follow.

#### Active Service Powers

Fire Protection  
Emergency Medical  
Ambulance Transport

#### Latent Service Powers

Hazardous Materials Transport & Disposal  
Weed and Rubbish Abatement

JCFPD has been governed since its formation in 1983 as an independent special district with governance provided by a five-member board. Members are either elected or appointed in lieu of a consented election to at-large four-year terms and must be registered to vote within JCFPD. Members annually select a President and Vice President to preside over meetings. The Board regularly meets on the second Tuesday of each month at Fire Station No. 56 in Julian. A current listing of the Board along with respective backgrounds and years served with the District follows.

JCFPD   Current Board Roster			
Table 5.1a (Source: JCFPD)			
Member	Position	Background	Years on Board
Michael Menghini	President	n/a	n/a
Brian Kramer	Vice President	n/a	n/a
Joe Hutchinson	Treasurer	n/a	n/a
Bill Everett	Director	n/a	n/a
Evelina Hatch	Director	n/a	n/a

### 5.2 Administration

Section pending.



## 6.0 MUNICIPAL SERVICES

JCFPD provides three municipal services: (a) fire protection; (b) emergency medical; and (c) ambulance transport with the former two organized as one integrated function and serve as the primary District activity. A summary analysis follows with respect to capacities, demands, and performance.

### 6.1 Fire Protection and Emergency Medical Services

JCFPD's fire protection and emergency medical services (first responder) represent the primary function of the District and were established at the time of formation in 1983. These services were initially organized on an all-volunteer basis before transitioning to its current combination professional/volunteer model in step with JCFPD establishing a fulltime fire chief position in 1999. Fire protection and emergency medical services are primarily funded in proportional order by property taxes, special assessments, and grants.

#### Service Capacities

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JCFPD's fire protection and emergency medical services' capacities are primarily dependent on human resources and currently staffed by 32 personnel divided between 20 volunteer firefighters and 12 on-call reserves.<sup>21</sup> Volunteer firefighters are year-round Julian residents with selected appointees comprising the officer ranks (Chief, Battalion Chief, Captain, and Engineer and Firefighter). Reserves typically do not live in the District. Training is provided to volunteers by JCFPD to satisfy minimum standards established by the National Fire Protection Association (NFPA).<sup>22</sup> This includes new volunteers attending an initial academy class followed by one evening training each week and one full day of training each month.<sup>23</sup> Volunteers sign up for work shifts and authorized to directly respond to incidents without first reporting to a fire station. All volunteers must receive and maintain CPR certification. Volunteers are not compensated. Reserves generally consist of local fire academy cadets in the process of earning their State firefighter certification and already certified as emergency medical technicians (EMTs). Reserves work traditional 24-hour shifts and do not receive stipends. All personnel – volunteers and reserves – are trained to provide basic life

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<sup>21</sup> Personnel levels as of December 2018.

<sup>22</sup> NFPA is an international organization tasked with establishing organizational guidelines for fire agencies.

<sup>23</sup> Minimum qualifications to serve as a JCFPD volunteer firefighters include being at least 18 years of age, possession of a high school degree or its equivalent, and a valid Class C driver's license.

support (BLS).<sup>24</sup> The current adopted minimum staffing level for the JCFPD fire engine is two volunteers or reserve personnel.<sup>25</sup>

JCFPD   Fire and EMS Personnel						
Table 6.1a (Source: JCFPD)						
Category	2014	2015	2016	2017	2018	Average
Fire Chief	1	1	1	1	1	1
Volunteers	15-25	15-25	15-25	15-25	15-25	20
Reserves	8-12	8-12	8-12	8-12	8-12	10

JCFPD personnel levels are based on information collected in December 2018.

Actual services are delivered out of two fire stations – No. 56 in Julian and No. 57 in Lake Cuyamaca – with dispatch provided by the County through the Monte Vista Interagency Command Center. The majority of calls are delivered out of Station 56, which was built in 2017 and is approximately 6,000 square feet in size and includes resting accommodations for up to 14 along with a kitchen, bathroom and laundry facilities, and meeting rooms. It also serves as the administrative offices and hosts Board meetings. The second station – No. 57 in Lake Cuyamaca – is in need of improvements to meet current building and safety codes with uses currently limited to storage and/or staging. The following table summarizes fleet information.

JCFPD   Fleet Information					
Table 6.1b (Source: JCFPD)					
Category	Fire Engines	Pumpers	Utility Trucks	Ambulance	Rescue
Station 56   Julian	1	1	1	2	1
Station 57   Lake Cuyamaca	1	0	0	0	0
	2	1	1	2	1

JCFPD personnel levels are based on information collected in December 2018.

Fire protection and emergency medical services have been recently augmented as a result of JCFPD entering into a no-fee contract in May 2018 with the County Fire Authority to receive supplemental support. The contract outlines provisions for County Fire Authority to dedicate a fire engine with a paramedic/first responder. The contract can be terminated by either party with a 120 day noting requirement.<sup>26</sup>

<sup>24</sup> Basic Life Support (BLS) is emergency first aid procedures used to ensure a person's immediate survival including cardiopulmonary resuscitation, control of bleeding, treatment for shock and poisoning, stabilization of injuries and/or wounds and basic first aid. BLS does not include invasive procedures.

<sup>25</sup> One of the two personnel must be a licensed operator to drive the fire engine.

<sup>26</sup> The contract termination can also be expedited to 5 days with written concurrence from both parties.



## Service Demands

Overall service demands for fire protection and emergency medical within JCFPD during the five-year report period have averaged 537 dispatched calls annually or 1.5 daily. Slightly more than one-tenth – or 11.9% – of all dispatched calls were canceled and resulted in onsite arrivals averaging 473 annually or 1.3 daily. A breakdown of onsite arrivals show nearly one-half were done in tandem involving both JCFPD and County/CALFIRE engines. Furthermore, JCFPD responded exclusively to 16% of actual onsite incidents compared to 23% for County/CALFIRE engines. The following table summarizes annual onsite demands – including agency responders – during the report period.

Over the five-year period actual onsite demands for fire and/or emergency medical services in JCFPD have averaged 1.3 daily. Of this amount, County/CALFIRE engines have exclusively responded to almost one-third more incidents than JCFPD.

### JCFPD | Fire and EMS Demands

Table 6.1c (Source: CALFIRE)

Year	2014	2015	2016	2017	2018	Average	Trend
Total Dispatched Incidents	473	551	594	519	546	537	15.4%
Total Onsite Incidents	421	494	513	458	479	473	13.8%
- Responded by JCFPD Only	20%	20%	10%	12%	19%	16%	(5.0%)
- Responded by County/CALFIRE Only	23%	23%	26%	22%	22%	23%	4.3%
- Responded by JCFPD & County/CALFIRE	49%	45%	44%	47%	54%	48%	10.2%

Overall onsite incidents have increased during the five-year report period by 13.7%.

## Service Performance

Section pending.

## 6.2 Ambulance Services

JCFPD's ambulance services were established in conjunction with the District being awarded an exclusive operating contract in 2014. The contract is with the County's Health and Human Services Agency (HHS) and designates JCFPD as the authorized ambulance transport provider for the greater Julian region.<sup>27</sup> This contract area extends beyond JCFPD's jurisdictional boundary and is approximately 449 square miles in size and includes the

<sup>27</sup> State law defines local responsibilities for administration of emergency medical services and authorizes counties to designate a local EMS agency to "plan, implement, and evaluate an emergency medical services system" for the respective county. To this end, the County of San Diego approved Board Policy K-12 in by Board Action in April 3, 1982 designating HHS as the local EMS agency and tasked it with the responsibility of developing an EMS program, including, but not limited to, operational policies, procedures, and protocols to ensure an effective and efficient EMS system throughout unincorporated San Diego County.

adjacent unincorporated communities of Ranchita and Pine Hills.<sup>28</sup> The contract originally termed on June 30, 2017 and has been extended through the exercising of two one-year extensions and now runs through June 30, 2019.<sup>29</sup> Ambulance services are organized as an enterprise and primarily funded in proportional order by service charges (patient billing) and baseline contract funding from HHS.<sup>30</sup>

## Service Capacities

JCFPD's ambulance transport services are presently staffed by seven District employees divided between two paramedics and five emergency medical technicians (EMTs). Two ambulances are utilized. Additional on-call part-time paramedics and EMTs are also used by JCFPD to supplement paid staff as needed.<sup>31</sup> JCFPD is required by HHS to provide one ambulance at all times staffed with one paramedic and one EMT personnel, and in doing so providing advanced life support (ALS) in the Julian contract area. Ambulance services are delivered out of Station No. 56 in Julian with dispatch provided by the County through the Monte Vista Interagency Command Center.

JCFPD   Ambulance Personnel						
Table 6.2a (Source: JCFPD)						
Category	2014	2015	2016	2017	2018	Average
Paramedics	2	2	2	2	2	2
EMTs	5	5	5	5	5	5

JCFPD personnel levels are based on information collected in December 2018.

## Service Demands

Overall service demands for ambulance transport within JCFPD's contracted service area during the five-year report period have averaged 735 dispatched calls annually or 2.0 daily. One-fifth of these dispatched calls were canceled and resulted in onsite arrivals averaging 588 annually or 1.6 daily. Additionally, of this latter amount, almost two-fifths – or 38% – of all onsite responses were outside JCFPD's jurisdictional boundary. Furthermore, and specific to just JCFPD's boundary, the District

Over the five-year report period actual onsite demands for ambulance transport from JCFPD have averaged 1.6 daily with almost two-fifths involving lands outside the District but within its contracted service area with County HHS.

<sup>28</sup> The "Julian" operating area is one of four unincorporated areas within the county with a contracted ambulance provider. The other three operating areas are also in rural, eastern areas of San Diego County and are titled Valley Center, Grossmont/Otay Mesa, and Ocotillo Wells.

<sup>29</sup> One remaining one-year extension is available, and if exercised by HHS would extend the contract with JCFPD through June 30, 2020.

<sup>30</sup> JCFPD currently receives \$130,008 annually from HHS to help offset operational costs. JCFPD also previously received an annual \$60,000 subsidiary from the County for operation costs before it was terminated as part of an earlier contract clause in 2018.

<sup>31</sup> Advance Life Support (ALS) is a higher level of emergency care procedures that may include defibrillation, airway management and invasive techniques such as IV therapy, intubation and/or drug administration.

responded exclusively or in tandem to 88.7% of all onsite incidents during the report period with the remainder – 11.3% – involving outside providers.

JCFPD   Ambulance Transport Demands							
Table 6.2b (Source: CALFIRE)							
Year	2014	2015	2016	2017	2018	Average	Trend
Total Dispatched Incidents	684	737	779	731	745	735	8.9%
Total Onsite Incidents	511	601	615	607	607	588	18.8%
Total Onsite Incidents - JCFPD Boundary	327	381	385	356	352	360	7.6%
- Responded by JCFPD Only	296	336	332	310	316	318	6.8%
- Responded by JCFPD + Other	3	2	3	1	0	2	(100.0%)
- Other Only	28	43	50	45	36	38	28.6%

Overall onsite incidents within the JCFPD contracted service area have increased during the five-year report period by 18.8%. Incidents specific to JCFPD’s jurisdictional boundary have increased by 7.6%.

## Service Performance

Section pending.

## 7.0 FINANCES

### 7.1 Financial Statements

JCFPD contracts with an outside accounting firm (Sonnenberg & Company) to prepare an annual report to review the District’s financial statements in accordance with established governmental accounting standards. This includes vetting JCFPD’s statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing JCFPD’s short and long-term fiscal health with specific focus on sustaining its core service activities.

JCFPD’s most recent financial statements for the study period were issued for 2017-2018.<sup>32</sup> These financial statements show JCFPD experienced a slight positive change over the prior fiscal year as its overall net position (regular accrual basis) for all activities increased by less than 0.8% from \$3.272 million to \$3.299 million. Underlying this change in net position is the result of completing the construction of the

Most Recent Year-Ending Financial Statements   2017-2018	
Assets	\$4,901,610
Liabilities	\$1,601,630
Outflow/Inflow	\$0
Net Position	\$3,299,989

<sup>32</sup> The audit for 2017-2018 was issued by Sonnenberg & Company on November 16, 2018.

new fire station to serve the Julian service area and associated enlargement in capital assets. The accompanying auditor's report identified several concerns and related uncertainties regarding JCFPD's financial standing and highlighted by voters recently disapproving a ballot measure to increase annual benefit fees to cover increasing costs coupled with the loss of monetary support from the County. A summary of year-end totals and related trends drawn from the audited statements during the five-year report period regarding assets, liabilities, and net position follows.

## Agency Assets

JCFPD's audited assets at the end of 2017-2018 totaled \$4.902 million and are 25.7% higher than the average year-end amount of \$3.897 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented less than one-fifth of the total amount – or \$0.833 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining fourth-fifths of the total – or \$4.069 million – and marked by the completion of the new fire station serving the Julian service area. Overall assets for JCFPD have increased by 117.4% over the corresponding 60-month period.

JCFPD's Assets							
Table 7.1a   Source: JCFPD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	1,036,541	1,153,040	3,006,734	909,749	832,683	(19.7%)	1,387,749
Non-Current	1,218,045	1,406,864	1,687,067	4,167,692	4,068,927	234.1%	2,509,719
	\$2,254,586	\$2,559,904	\$4,693,801	\$5,077,441	\$4,901,610	117.4%	\$3,897,468

## Agency Liabilities

JCFPD's audited liabilities at the end of 2017-2018 totaled \$1.602 million and are 51.8% higher than the average year-end amount of \$1.055 million documented during the five-year report period. Liabilities classified as current and representing obligations owed in the near-term equaled less than 2.0% of the total – \$0.028 million – and largely tied to accounts payable and pending debt payments. Non-current liabilities represent the majority of the total –\$1.573 million – and nearly all of it tied to future debt payments for the new fire station in the Julian service area.<sup>33</sup> Overall liabilities for JCFPD have increased by 3027.8% over the corresponding 60-month period.

<sup>33</sup> The total cost of the new fire station – including planning, engineering, architecture, construction, and loan expenses – was \$3,063,586. The loan runs through 2035 with a total balance of \$1.6 million as of June 30, 2017.

JCFPD's Liabilities							
Table 7.1b   Source: JCFPD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	14,359	9,488	60,271	181,174	28,171	96.2%	58,692
Non-Current	36,848	37,645	1,708,421	1,623,477	1,573,459	4170.1%	995,970
	\$51,207	\$47,133	\$1,768,692	\$1,804,651	\$1,601,630	3027.8%	\$1,054,662

## Agency Net Position

JCFPD's audited net position or equity at the end of 2017-2018 totaled \$3.300 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 7.6% higher than the average year-end sum of \$3.067 million documented during the five-year report period. Approximately three-fourths of the most recent year-end amount – or \$2.502 million – is tied to capital assets and/or legally restricted. The remaining one-fourth of the most recent year-end – or \$0.798 million – is unrestricted. Overall the net position for JCFPD has increased by 0.8% over the corresponding 60-month period.

JCFPD's net position has increased during the report period with an overall change of 0.8% from \$3.273 million to \$3.300 million.

JCFPD's Net Position							
Table 7.1c   Source: JCFPD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	2,569,402	1,459,425	58,181	2,569,402	2,501,832	(2.6%)	1,831,648
Restricted	48,383	0	1,994,378	48,383	0	(100.0%)	418,229
Unrestricted	655,055	1,105,907	872,551	655,055	798,157	21.9%	817,325
	\$3,272,790	\$2,565,332	\$2,925,110	\$3,272,790	\$3,299,989	0.8%	\$3,067,202

JCFPD maintains two active funds underlying the net position.<sup>34</sup> The “general fund” is the primary account grouping and covers all JCFPD transactions for fire protection and emergency medical services. The general fund represents for four-fifths of the most recent audited net position amount at \$2.724 million with the unrestricted portion therein tallying \$0.400 million; the latter amount sufficient to cover seven months of normal fire and emergency medical service operating costs. The “enterprise fund” is the account grouping specific to covering all JCFPD transactions involving ambulance transport services and cannot be used for other purposes. The enterprise fund represents the remaining one-fifth of the most recent audited net position amount at \$0.576 million with the unrestricted portion therein tallying \$0.398 million; the latter amount sufficient to cover six months of normal ambulance service operating costs.

<sup>34</sup> A third fund – construction – is inactive as of 2017-2018.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by JCFPD covering the five-year report period shows the District has experienced a significant and largely negative financial changes in all three measured categories – liquidity, capital, and margin – utilized in this document. Liquidity levels have experienced the largest change as measured by current ratio with year-end totals decreasing from 72.2 to 29.6; the latter leaving JCFPD with \$29.6 in available cash for every \$1.00 in obligations due within one year. Capital has also sizably decreased with the arrival of long-term debt associated with the construction of a new fire station in the Julian service area and marked by JCFPD's debt ratio rising from 2.3% to 32.7% (i.e., \$32.70 of every \$100 in FPD assets are financed.) The total margin has fluctuated and fallen during this period from 2.2% to 2.0%. Operating margins – however – have consistently been in deficit and reflect the JCFPD's dependence on one-time or otherwise unique revenues, including donations, grants and other subventions. A summary of year-end liquidity, capital, margin, and management structure ratios follow.

JCFPD: Financial Measurements							
Table 7.2a   Source LAFCO							
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	72.2	282.1	2.3%	2.2%	(26.1%)	177.3	2.2%
2014-2015	121.5	205.4	1.8%	2.2%	(13.1%)	184.6	2.2%
2015-2016	49.9	311.0	37.7%	92.4%	13.3%	193.5	1215.4%
2016-2017	5.0	78.9	35.5%	21.1%	(306.2%)	172.5	26.7%
2017-2018	29.6	368.7	32.7%	2.0%	(8.8%)	51.1	2.0%
Average	55.6	249.2	22.0%	26%	(0.7)	155.8	250%
Trend	(59.1%)	30.7%	1338.7%	(8.7%)	(66.4%)	(71.2)	(8.7%)

Liquidity
Capital
Margin
Management

## 7.3 Pension Obligations

JCFPD does not have recorded pension obligations.

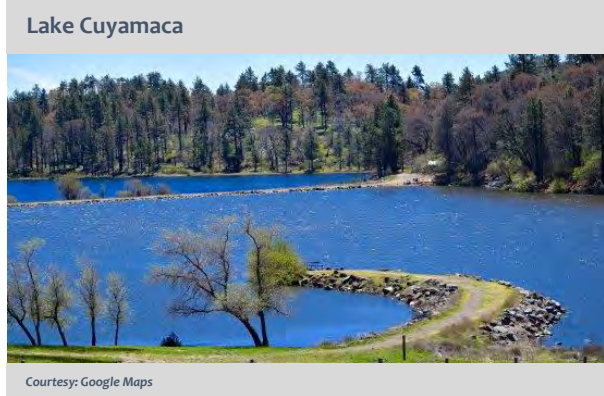
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## E. LAKE CUYAMACA RECREATION AND PARK DISTRICT

### 1.0 OVERVIEW

The Lake Cuyamaca Recreation and Park District (RPD) is an independent special district formed in 1961. Formation proceedings were initiated by landowners for the purpose of providing a range of recreational services at Lake Cuyamaca in the unincorporated community of Julian. Lake Cuyamaca RPD encompasses an approximate 12.1 square mile or 7,743 acre jurisdictional boundary and mostly includes residential uses along the Lake Cuyamamca shoreline. Governance is provided by a seven-person board whose members are registered voters appointed by the County of San Diego Board of Supervisors and serve staggered four-year terms.



Lake Cuyamaca RPD is organized as a limited purpose agency with municipal activities tied to community recreation services. These services are prescribed under special legislation and allows Lake Cuyamaca RPD to currently co-operate community recreation services with the Helix Water District (WD), which owns Lake Cuyamaca and its water supplies. The operating budget at the term of the report period (2017-2018) was \$1.148 million. The last audited financial statements cover 2016-2017 and show the net position totaling \$2.609 million with the unrestricted portion tallying \$0.345 million. This latter amount translates to sufficient reserves to cover four months of normal operating expenses.

LAFCO independently estimates the resident population within Lake Cuyamaca RPD is 245 as of the term of this report period and accommodated through 189 current housing units with close to two-fifths suspected as serving primarily as second homes. This latter estimate suggest the resident population – and less overnight visitors at Lake Cuyamaca – increases to approximately 340 during weekends and/or summer months. It is also projected this estimate represents an overall increase of 15 new fulltime residents since 2010 with a corresponding annual growth rate of 0.77%, which is below the corresponding countywide growth rate of 0.94%. The median household income within Lake Cuyamaca RPD is \$63,818 based on the current five-year period average and is the highest in the Julian region.



## 2.0 BACKGROUND

### 2.1 Community Development

Lake Cuyamaca RPD is part of the unincorporated community of Julian with the latter's present-day service area development beginning with the discovery of gold in the 1860s with additional details footnoted.<sup>35</sup> The area comprising Lake Cuyamaca RPD's own development began with the construction of a dam in 1888 along Boulder Creek, which formed Lake Cuyamaca and served as of the first municipal water sources for the predecessor (Cuyamaca Water Company) to the Helix WD. Residential development along the shoreline followed and initially marked by the County of San Diego approving the first unit or phase of the Lake Cuyamaca Resort Subdivision in 1924.

### 2.2 Formation Proceedings

Lake Cuyamaca RPD's formation was facilitated through special legislation enacted in 1961 to create a hybrid governance system for a recreation and park district to be formed in the Lake Cuyamaca area to include both registered voters and landowners; the latter category representing an addition to baseline allowances under statute to account for the high number of second homes in the area. This special legislation followed increasing community interest in the area to formalize and manage recreational and related commercial services at Lake Cuyamaca and ensure its ongoing operations going forward through a contract relationship with the Lake's owner, Helix WD. Formation of the Lake Cuyamaca RPD was subsequently approved by the County Boundary Commission – a predecessor to LAFCO – with voter confirmation in November 1961.

### 2.3 Post Formation Activities

A summary of notable activities undertaken by Lake Cuyamaca RPD and/or affecting the District's service area following formation in 1961 is provided below.

8. The California Legislature amends Lake Cuyamaca RPD's enabling legislation to increase the composition of the Board from five to seven beginning in 1978.
- Lake Cuyamaca RPD builds two finger jetties to improve fish habitat.

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<sup>35</sup> An expanded overview of the development of the Julian region is provided in the profile section for the Julian-Cuyamaca Fire Protection District beginning on page 68 of this report.

- LAFCO performs its first formal review of Lake Cuyamaca RPD in conjunction with establishing a sphere for the District in 2007.
- LAFCO updates and affirms the Lake Cuyamaca RPD sphere without changes in 2013.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

Lake Cuyamaca RPD's existing boundary spans approximately 12.11 square miles in size and covers 7,743 unincorporated acres (parcels and public rights-of-ways) within one contiguous area. The jurisdictional boundary is entirely within the land use authority of the County of San Diego and subject to the Cuyamaca Community Plan. The jurisdictional boundary is anchored by Lake Cuyamaca and its largest residential development, Lake Cuyamaca Resort Subdivision. Overall there are currently 154 registered voters within Lake Cuyamaca RPD.

Lake Cuyamaca RPD's jurisdictional boundary spans 7,743 acres. The current density ratio is 31.6 fulltime residents per acre.

Total assessed value (land and structure) within Lake Cuyamaca RPD is set at \$73.694 million as of December 2018 and translates to a per acre value ratio of \$0.009 million. The former amount – \$73.694 million – further represents a per capita value of \$0.301 million based on the estimated service population of 245. Lake Cuyamaca RPD does not receive any property tax generated within its jurisdictional boundary as a result of setting its tax rate at 0.0% in 1978 and made permanent thereafter as a result of Proposition 13.

Current assessed value in Lake Cuyamaca RPD is \$73.694 million and produces an annual property tax base of \$0.734 million. Lake Cuyamaca RPD, however, does not receive any property tax as a result of having a 0% tax rate at the time Proposition 13 was enacted in 1978.

The jurisdictional boundary is currently divided into 393 legal parcels and spans 7,632 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Close to one-fifth – or 22% – of the parcel acreage is under private ownership with one-tenth having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is undeveloped and consists of 166 vacant parcels that collectively total 903 acres. All lands in the northwest half of the jurisdictional boundary qualify as a disadvantaged unincorporated community.

Close to 22% of the jurisdictional boundary is under private ownership with 166 parcels totaling 903 acres remaining undeveloped.



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

Lake Cuyamaca RPD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 245 as of the term of the study period and represents 0.007% of the countywide total. It is also estimated the resident population has risen overall by 7.0% from 230 in 2010 and the last census reset. This translates to an annual change of 0.77%, which falls below the corresponding countywide rate of 0.94%. It is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 256 by 2023.

It is estimated there are 245 current fulltime residents within Lake Cuyamaca RPD. It is projected the fulltime population will increase consistent with recent trends and reach 256 by 2023.

Lake Cuyamaca RPD   Population				
Table 4.1a (Source: Esri   LAFCO)				
Factor	2010	2018	2023	Annual Change %
Lake Cuyamaca RPD	230	245	256	0.77%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 189 residential dwelling units within Lake Cuyamaca RPD. This amount represents an overall net increase of three units since 2010. Further, of the current total, 46% are owner-occupied, 14% are renter-occupied, and the remaining 40% are vacant with a sizeable portion suspected as serving as second homes. The average household size is 2.5 as of 2016 and has increased 16.6% from 2.2 in 2011. The mean monthly housing costs in Lake Cuyamaca RPD have increased by 4.0% from \$1,115 to \$1,159 based on the most recent five-year period averages. The mean monthly housing costs remains, nonetheless below the countywide rate of \$1,578.

Housing production in Lake Cuyamaca RPD currently totals 189 dwelling units. This includes the net addition of three units since 2010. The average monthly housing cost in Lake Cuyamaca RPD is \$1,159, and just under three-fourths the countywide average.

Lake Cuyamaca RPD   Housing Characteristics		
Table 4.1b (Source: Esri   LAFCO)		
Factor	Lake Cuyamaca RPD	San Diego County
2010 Housing Units	186	1,164,766
2018 Housing Units	189	1,236,184
... Change	3	71,418
2010 Household Size	2.2	2.79
2018 Household Size	2.5	2.87
... Change	16.6%	2.87%
Current Monthly Housing Cost	\$1,159	\$1,578
Current Vacancy Rate	40%	5.4%

## 4.2 Age Distribution

The median age of residents in Lake Cuyamaca RPD is 47.0 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (8.0%) from 51.1 over the preceding five-year period average. The current median age in Lake Cuyamaca RPD still remains significantly higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 also make up half of the total population at 50.4% and reflects a (8.4%) decrease over the preceding five-year period from 55.0%.

Residents within Lake Cuyamaca RPD tend to be older with a medium age of 47.0; an amount that is more than one-third higher than the countywide average of 35.3.

Lake Cuyamaca RPD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Lake Cuyamaca RPD	51.1	47.0	(8.0%)
San Diego County	34.6	35.3	2.0%

Lake Cuyamaca RPD   Prime Working Age, 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Lake Cuyamaca RPD	55.0%	50.4%	(8.4%)
San Diego County	53.4%	47.0%	(11.9%)

## 4.3 Income Characteristics

The median household income in Lake Cuyamaca RPD is \$60,325 based on the current five-year period average. This amount shows fulltime residents are receiving more pay with the median income experiencing an overall increase of 5.4% from the preceding five-year period average of \$57,236. The current median household income in Lake Cuyamaca PRD has also drawn closer to the countywide rate of \$66,259. The current average rate of persons living below the poverty level in Lake Cuyamaca RPD is 10.3% and lower than the countywide rate of 14.0%.

Lake Cuyamaca RPD residents' average median household income has experienced a sharp decrease in recent years and is currently \$60,325. This amount is slightly below the countywide median income \$66,529.

Lake Cuyamaca RPD   Median Household Income			
Table 4.3a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Lake Cuyamaca RPD	\$61,109	\$60,325	5.4%
San Diego County	\$63,857	\$66,529	4.2%

Lake Cuyamaca RPD   Poverty Rate			
Table 4.3b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Cuyamaca WD	9.6%	10.3%	7.3%
San Diego County	13.0%	14.0%	7.7%

#### 4.4 Socioeconomic Indicators

Approximately 28.3% of residents age 25 and older in Lake Cuyamaca RPD hold bachelor degrees or higher based on the current five-year period average. This marks an increase of 3.7% from and the preceding five-average period and brings it closer – albeit still substantively below – the countywide rate of 36.5%. The unemployment rate is 6.1% and doubled over the previous five-year average, but remains lower than the countywide average of 4.9%. The non-English speaking population has grown in Lake Cuyamaca RPD from 4.9% to 6.9% over the two periods; over a forty percent increase. Approximately one-third of the population collects retirement - 33.9% - compared to the countywide average of 17.7%.

Unemployment levels within Lake Cuyamaca RPD have significantly increased in recent years with the current five-year average totaling 6.1%. This amount is above the current countywide average. Separately, Lake Cuyamaca RPD has experienced a rise in non-English speaking residents by 40% since 2010.

Lake Cuyamaca RPD   Residents with Bachelor Degrees			
Table 4.4a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2017 5-Year Average	Change %
Lake Cuyamaca RPD	27.3%	28.3%	3.7%
San Diego County	34.2%	36.5%	6.73%

Lake Cuyamaca PRD   Non English Speaking			
Table 4.4b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2017 5-Year Average	Change %
Lake Cuyamaca RPD	4.9%	6.9%	40.8%
San Diego County	16.1%	15.0%	(6.83%)



## 5.0 ORGANIZATION

### 5.1 Governance

Lake Cuyamaca PRD's governance authority is established under special legislation as the Lake Cuyamaca Recreation and Park District Act. This special legislation serves as the principal act and was initially established in 1961 and most recently amended in 1999. The principal act empowers Lake Cuyamaca RPD to provide an inclusive range of municipal services relating to community recreation with the ability to co-operate with any city, county, district, state, or federal agency. All prescribed services area considered active and summarized below. Should it ever seek to divest itself of directly providing any active services, Lake Cuyamaca RPD would need to seek LAFCO approval.

#### Active Service Powers

Construct Recreation Services  
Operate Recreation Services

#### Latent Service Powers

Lake Cuyamaca RPD has been governed since its formation in 1961 as a dependent special district with an initial five-member board consisting of registered voters appointed by the County of San Diego Board of Supervisors. The principal act was amended in 1978 to increase the number of Board members to seven. All Board members serve staggered four-year terms with a rotating president system. The Board regularly meets every quarter at the Lake Cuyamaca Restaurant located at 15027 State Highway 79 in Julian. A current listing of the Board along with respective backgrounds and years served with the District follows.

Lake Cuyamaca RPD   Current Board Roster			
Table ** (Source: Lake Cuyamaca RPD)			
Member	Position	Background	Years on Board
Gary Anderson	President	Entrepreneur	14
George Merz	Vice President	Retired	12
Roland Eddie	Director	Retired	5
Tom King	Director	Architect	1
Eric Otto	Director	Retired	6
Steve Vanderwalle	Secretary	Fireman	17
Vacant			

### 5.2 Administration

Section pending.

## 6.0 MUNICIPAL SERVICES

Lake Cuyamaca RPD's municipal services are statutorily limited to one broad category: community recreation. A summary analysis of this service follows with respect to capacities, demands, and performance.

### 6.1 Community Recreation

Lake Cuyamaca RPD's community recreation services are defined under special legislation to involve acquiring, constructing, improving, maintaining, and operating parks and recreation centers. These services are presently organized into the following three broad categories.

- **Fish Stocking**

Lake Cuyamaca RPD currently stocks 40,000 pounds of trout through outside fish farming vendors. Increasingly limited vendor supplies coupled with associated costs has prompted Lake Cuyamaca RPD to experiment with creating its own trout hatchery. The hatchery will supplement more than half of the original purchased stock. Other types of fish that are present are Florida bass, smallmouth bass, channel catfish, crappie, bluegill, and sturgeon. Fishing permits help recover costs.

- **Day Services**

Lake Cuyamaca RPD offers a variety of day services and headlined by maintaining and positing hiking trails and water activities; the latter including daily rentals for row boats, motor boats, pontoon boats, pedal boats and kayaks.

- **Overnight Services**

Lake Cuyamaca RPD's overnight accommodations serve as the District's primary revenue source and currently include ten cabins with three more planned for construction.<sup>36</sup> \*\*\*\*\* tent and \*\*\*\*\* recreational vehicle spots are also available.

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<sup>36</sup> There are four types of cabins outfitted with varying amenities. Lake View Cabins are fully furnished and include kitchens, flat screen televisions, central A/C, outdoor decks and grills. Raccoon and Rainbow Condos consist of a duplex fully furnished with lofts and fireplaces. Anglers Retreat is a rustic converted ranger's cabin and includes a kitchenette. Sleepers Cabins are basic accommodations with wall heaters and outdoor showers.



## 7.0 FINANCES

### 7.1 Financial Statements

Lake Cuyamaca RPD contracts with an outside accounting firm (Nigro & Nigro, PC) to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes vetting the statements in verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Lake Cuyamaca RPD's short and long-term fiscal health with specific focus on sustaining its core service function: community recreation.

Lake Cuyamaca RPD's most recent financial statements for the five-year report period were issued for 2016-2017.<sup>37</sup> These statements show Lake Cuyamaca RPD experienced a slight positive change over the prior fiscal year as its overall net position

Most Recent Year-Ending Financial Statements	
Assets	\$2,727,494
Liabilities	\$118,383
Deferred Outflow/Inflow	\$0
Net Position	\$2,609,111

(regular accrual basis) increased by 0.83% from \$2.588 million to \$2,609 million and primarily attributed to an increase in operating revenues. The accompanying auditor's report also provided an update on prior fiscal year recommendations and noted Lake Cuyamaca RPD had affirmatively proceeded to segregate accounting duties for a second person to begin performing routine bank reconciliations. The auditor's report, however, noted two other earlier recommendations to establish a purchase order system and record unearned revenue at the period of collection had not been fully implemented as of date. A summary of year-end totals and related trends drawn from audited statements during the report period regarding assets, liabilities, and net position follows.

#### Agency Assets

Lake Cuyamaca RPD's audited assets at the end of 2016-2017 totaled \$2.727 million and is 24% higher than the average year-end amount of \$2.240 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented less than one-fifth of the total amount – or \$0.446 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining fourth-fifths of the total – or \$2.281 million. Overall assets for Lake Cuyamaca RPD have increased by 34% over the corresponding 48-month period.

<sup>37</sup> The audit for 2016-2017 was issued by Nigro & Nigro, CP on January 3, 2017.

### Lake Cuyamaca RPD's Assets

Table 7.1a | Source Lake Cuyamaca RPD

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	543,131	488,094	515,492	446,039	n/a	(18%)	498,189
Non-Current	1,498,350	1,413,319	1,774,051	2,281,455	n/a	52%	1,741,794
	\$2,041,481	\$1,901,413	\$2,289,543	\$2,727,494	n/a	34%	\$2,239,983

## Agency Liabilities

Lake Cuyamaca RPD's audited liabilities at the end of 2016-2017 totaled \$0.118 million and is 1.0% higher than the average year-end amount of \$0.117 million documented during the five-year report period. Liabilities classified as current and representing obligations owed in the near-term accounted for the entire amount and primarily tied to accounts payable; Lake Cuyamaca RPD has no long-term debts as of the last audited year. Overall liabilities for Lake Cuyamaca RPD have decreased over the corresponding 48-month period by (24%) as a result of clearing all long-term debts and marked by paying off a \$0.175 million loan from Helix WD to refurbish a parking lot.

### Lake Cuyamaca RPD's Liabilities

Table 7.1b | Source Lake Cuyamaca RPD

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	103,977	79,547	62,712	118,383	n/a	14%	91,155
Non-Current	52,500	35,000	17,500	0	n/a	(100%)	26,250
	\$156,477	\$114,547	\$80,212	\$118,383	n/a	(24%)	\$117,405

## Net Position

Lake Cuyamaca RPD's audited net position or equity at the end of 2016-2017 totaled \$2.609 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 18% higher than the average year-end sum of \$2.217 million documented during the five-year report period. Close to nine-tenths of the net position is tied to capital assets with the majority tied to building and improvements. Overall the net position has increased by 38% over the corresponding 48-month period.

Lake Cuyamaca RPD's net position is trending positively during the report period with an overall change of 38% from \$1.885 million to \$2.609 million.

### Lake Cuyamaca RPD's Net Assets

Table 7.1c | Source Lake Cuyamaca RPD

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	1,428,350	662,352	1,739,051	2,263,955	n/a	59%	1,523,427
Restricted	-	-	-	-	n/a	-	-
Unrestricted	456,654	1,124,514	848,507	345,156	n/a	(24%)	693,708
	\$1,885,004	\$1,786,866	\$2,587,558	\$2,609,111	n/a	38%	\$2,217,135

Lake Cuyamaca RPD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled \$0.345 million and represents the available and spendable portion of the fund balance and subject to discretionary designations. The unrestricted amount represents four months of operating expenses based on 2016-2017.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by Lake Cuyamaca RPD covering the five-year report period shows the District has experienced moderate changes in all three measured categories – liquidity, capital, and margin – utilized in this document. Liquidity levels as measured by current ratio changed with year-end totals over the corresponding period from 5.2 to 3.7; the latter representing a difference of (29%) and leaving Lake Cuyamaca RPD with \$3.77 in available cash for every \$1 in obligations due within one year. This contrasts with days cash becoming more readily available during the period and rising by 28% from 123 to 157. Capital levels remained positive and improved with Lake Cuyamaca RPD's debt ratio decreasing from 8.0% to 4.0% with the latter meaning \$4.00 of every \$100 in the net position financed. The total margin also remained largely positive. A summary of year-end liquidity, capital, margin, and management structure ratios follow.

Lake Cuyamaca RPD: Financial Measurements							
Table 7.2a   Source LAFCO							
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	5.2	122.8	8%	1%	1%	20	0.0
2014-2015	6.1	121.4	6%	(8%)	(8%)	23	(0.1)
2015-2016	8.2	217.2	4%	34%	34%	19	0.5
2016-2017	3.7	157.4	4%	1.9%	1%	18	0.0
2017-2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average	5.8	154.7	5.5%	7%	7%	20.2	0.12
Trend	(29%)	28%	(50%)	90%	0%	(10%)	0%
Liquidity		Capital		Margin		Management	

## 7.3 Pension Obligations

Lake Cuyamaca RPD does not have recorded pension obligations.

## E. MAJESTIC PINES COMMUNITY SERVICES DISTRICT

### 1.0 OVERVIEW

The Majestic Pines Community Services District (CSD) is an independent special district formed in 1993. Formation proceedings were initiated by landowners for the purpose of assuming domestic water service responsibility for the Kentwood-in-the-Pines and Whispering Pines Subdivisions within the unincorporated community of Julian and in step with the dissolution of County Service Area (CSA) No. 4. Majestic Pines CSD encompasses an approximate 1.63 square mile or 1,019 acre jurisdictional boundary that entirely comprises residential uses. Governance is provided by a five-person board whose members are directly elected at-large by registered voters and serve staggered four-year terms.



Majestic Pines CSD is currently organized as a limited purpose agency with municipal activities tied to providing only domestic water service. All water supplies are locally sourced through groundwater. Majestic Pines CSD is also authorized – subject to LAFCO approving latent power activations – to provide a full range of other services under the principal act, including – but not limited to – wastewater, fire and police protection, and parks and recreation. The operating budget at the term of the report period (2017-2018) was \$0.440 million. The last audited financial statements cover 2016-2017 and show the net position totaling \$1.707 million with the unrestricted portion tallying \$0.439 million. This latter amount represents the equivalent of eight months of operating expenses.

LAFCO independently estimates the fulltime resident population within Majestic Pines CSD is 1,112 as of the term of this report period and accommodated through 679 current housing units with close to one-fourth suspected as serving as second homes. This latter estimate suggest the resident population increases to approximately 1,390 during weekends and/or summer months. It is projected this estimate represents an overall increase of 71 fulltime residents since 2010 with a resulting annual growth rate of 0.90%, which nears the corresponding countywide change of 0.94%. It is also projected growth will continue consistent with recent trends given there are no substantive development projects planned in Majestic Pines CSD and result in the fulltime population reaching 1,163 over the next five-

year period to 2023. The median household income is \$47,353 based on the current five-year period average.

## **2.0 BACKGROUND**

### **2.1 Community Development**

Majestic Pines CSD is part of the unincorporated community of Julian with the latter's present-day service area development beginning with the discovery of gold in the 1860s with additional details footnoted.<sup>38</sup> The area comprising the Majestic Pines CSD began its own development in step with the County of San Diego approving the initial unit or phase of the Kentwood-in-the-Pines Subdivision in 1926. Subsequent phases of this and the adjacent Whispering Pines Subdivisions followed and ultimately paired with the creation of a community water system that eventually came under the ownership of a private water company. Operational challenges eventually overwhelmed the private water company and the County agreed to assume operations in conjunction with LAFCO approving the formation of CSA No. 4 in 1966.

### **2.2 Formation Proceedings**

Majestic Pines CSD' formation was initially petitioned by landowners in 1982 to directly assume domestic water service responsibilities from the County through a concurrent dissolution of CSA No. 4 and purposed to mitigate concerns over increasing overhead costs to the community. This initial request, however, stalled and later withdrawn after State regulators communicated they would not approve a transfer of the operating permit. A second landowner petition for the reorganization was filed in 1992. This second attempt at formation followed confirmation with the State to transfer the operating permit and was approved by LAFCO with voter confirmation in September 1993.

### **2.3 Post Formation Activities**

A summary of notable activities undertaken by Majestic Pines CSD and/or affecting the District's service area following formation in 1993 is provided below.

- LAFCO establishes a sphere of influence for Majestic Pines CSD in 1993.

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<sup>38</sup> An expanded overview of the development of the Julian region is provided in the profile section for the Julian-Cuyamaca Fire Protection District beginning on page 68 of this report.

- LAFCO updates and affirms Majestic Pines CSD's sphere in 2007 and again later in 2013 with no changes.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

Majestic Pines CSD's existing boundary spans approximately 1.63 square miles in size and covers 1,019 unincorporated acres (parcels and public rights-of-ways) within two non-contiguous areas. The jurisdictional boundary is entirely within the land use authority of the County of San Diego and subject to the Julian Community Plan. The jurisdictional boundary is anchored by two distinct and adjacent subdivision developments, Kentwood-in-the-Pines to the south and Whispering Pines to the north. Overall there are currently 768 registered voters within Majestic Pines CSD.

Majestic Pines CSD's jurisdictional boundary spans 1,019 acres. The current density ratio is 0.91 residents per acre.

Total assessed value (land and structure) within Majestic Pines CSD is set at \$149.647 million as of December 2018 and translates to a per acre value ratio of \$0.147 million. The former amount further represents a per capita value of \$0.134 million based on the estimated fulltime population of 1,112. As a pre Proposition 13 agency, Majestic Pines CSD does not receive any portion of the current annual \$1.496 million in property tax revenue generated in its jurisdictional boundary.

Current assessed value in Majestic Pines CSD is \$149.647 million and produces an annual property tax base of \$1.496 million. However, as a pre Proposition 13 agency, Majestic Pines CSD does not receive any allocation of this annual revenue.

The jurisdictional boundary is currently divided into 1,479 legal parcels and spans 905 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Almost nine-tenths – or 87% – of the parcel acreage is under private ownership with more than four-fifths having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private acreage is undeveloped and consists of 803 vacant parcels that collectively total 286 acres. All lands within and immediately adjacent to the jurisdictional boundary qualify as a disadvantaged unincorporated community.

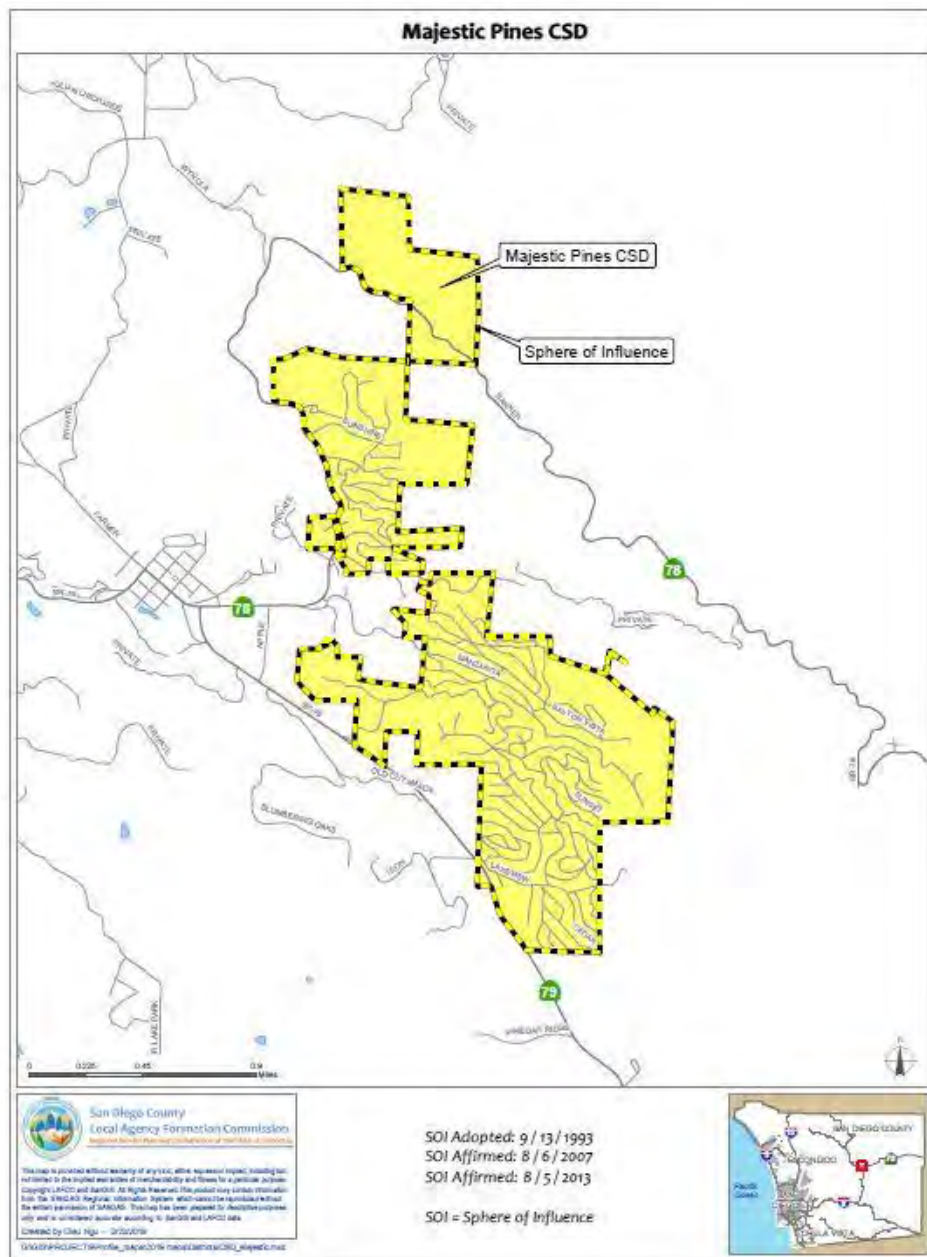
More than four-fifths of the jurisdictional boundary is under private ownership. Of this amount, currently 803 parcels totaling 286 acres remain undeveloped.



### 3.2 Sphere of Influence

Majestic Pines CSD's sphere was established by LAFCO in 1993 and last reviewed and updated in 2013. The sphere is coterminous with Majestic Pines CSD's jurisdictional boundary and reflects an existing Commission expectation no boundary changes or outside service extensions are anticipated at this time.

### 3.3 Current Boundary and Sphere Map



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

Majestic Pines CSD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 1,112 as of the term of the report period. This amount represents 0.03% of the countywide total. It is also estimated the fulltime resident population has risen overall by 6.8% from 1,041 in 2010 and the last census reset. This translates to an annual change of 0.85%, which is one-tenth lower than the corresponding countywide growth rate of 0.94%. It is projected the current growth rate will continue in the near-term and result in a fulltime population of 1,163 by 2023.

It is estimated there are 1,112 current fulltime residents within Majestic Pines CSD. It is projected the population will increase consistent with recent trends and reach 1,163 by 2023.

Majestic Pines CSD   Population				
Table 4.1a (Source: Esri   LAFCO)				
Factor	2010	2018	2023	Annual Change %
Majestic Pines CSD	1,041	1,112	1,163	0.85%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 679 residential dwelling units within Majestic Pines CSD. This amount represents an overall increase of 43 since 2010 and translates to the recent production of 5.4 new dwelling units per year. Further, of the current total, 55% are owner-occupied, 18% are renter-occupied, and the remaining 27% are vacant with a sizable portion therein suspected to serve as second homes. The average household size is 2.3 and has increased by 3.5% from 2.25 over the preceding five-year period. The mean monthly housing cost in Majestic Pines CSD has decreased by (1.8%) during this period from \$1,110 to \$1,090 and well below the countywide average of \$1,578.

Housing production in Majestic Pines CSD currently totals 679 dwelling units. This includes the addition of 43 units – or 5.4 per year – since 2010. The average monthly housing cost is \$1,090 and one-third less than the countywide average.

Majestic Pines CSD   Housing Characteristics		
Table 4.1b (Source: Esri   LAFCO)		
Factor	Majestic Pines CSD	San Diego County
2010 Housing Units	636	1,164,766
2018 Housing Units	679	1,236,184
... Change	43	71,418
2010 Household Size	2.25	2.79
2018 Household Size	2.33	2.87
... Change	3.53%	2.87%
Current Monthly Housing Cost	\$1,090	\$1,578
Current Vacancy Rate	27%	5.4%



## 4.2 Age Distribution

The median age of residents in Majestic Pines CSD is 48.7 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (6.1%) from 51.9 over the preceding five-year period average. The median age in Majestic Pines CSD, however, remains significantly higher than the countywide amount of 35.3. Residents in the prime working age group defined as ages 25 to 64 have also decreased over the two five-year periods by (16.7%) and now represent less than one-half – or 46.9% - of the population.

Residents within Majestic Pines CSD tend to be older with a medium age of 48.7; an amount that is more than one-third higher than the countywide average of 35.3. Residents also are increasingly falling out of the prime working age (25-64) and now represent less than one-half of the population.

Majestic Pines CSD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	51.9	48.7	(6.1%)
San Diego County	34.6	35.3	2.0%

Majestic Pines CSD   Prime Working Age, 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	56.3%	46.9%	(16.7%)
San Diego County	53.4%	47.0%	(11.9%)

## 4.3 Income Characteristics

The median household income in Majestic Pines CSD is \$47,353 based on the current five-year period average. This amount shows households are receiving significantly less pay with the median income experiencing an overall decrease of (25.7%) from the preceding five-year period average of \$63,763. The current median household income in Majestic Pines CSD also remains substantively lower than the countywide amount of \$66,259. Separately, the current average rate of persons living below the poverty level in Majestic Pines CSD is 11.1% and below the countywide rate of 14.0%. Poverty rates in Majestic Pines CSD, however, have increased by five times the countywide rate over the preceding five-year period.

Majestic Pines CSD' average median household income has experienced a sharp decrease in recent years and is currently \$47,353. This amount is more than one-fourth below the countywide median income of \$66,259. Poverty rates have also increased by more than one-third.

#### Majestic Pines CSD | Median Household Income

Table 4.3a (Source: American Community Survey | LAFCO)

Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	\$63,763	\$47,353	(25.7%)
San Diego County	\$63,857	\$66,529	4.2%

#### Majestic Pines CSD | Poverty Rate

Table 4.3b (Source: American Community Survey | LAFCO)

Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	8.1%	11.1%	37.9%
San Diego County	13.0%	14.0%	7.7%

## 4.4 Socioeconomic Indicators

Approximately 31.7% of residents age 25 and older in Majestic Pines CSD hold bachelor degrees or higher based on the current five-year period average. This is an increase of 2.7% from the preceding five-year average period, but still below the countywide average total of 36.5%. The unemployment rate is 3.1% which marks a one-third decrease from 4.6% from the earlier five-year average and is lower than the countywide average of 4.9%. The non-English speaking population has grown in Majestic Pines CSD from 1.7% to 8.1% over the two periods; over a four-fold increase. Nearly one-third of the population collects retirement - 31.7% - compared to the countywide average of 17.7%.

Unemployment levels within Majestic Pines CSD have decreased with the current five-year average totaling 3.1%. This amount is more than one-third lower than the current countywide average. Separately, Majestic Pines CSD has experienced a significant rise in non-English speaking residents by more than four-fold since 2010.

#### Majestic Pines CSD | Residents with Bachelor Degrees

Table 4.4a (Source: American Community Survey | LAFCO)

Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	30.9%	31.7%	2.7%
San Diego County	34.2%	36.5%	6.7%

#### Majestic Pines CSD | Non-English Speaking

Table 4.4b (Source: American Community Survey | LAFCO)

Category	2007-2011 5-Year Average	2012-2016 5-Year Average	Change %
Majestic Pines CSD	1.7%	8.1%	369.2%
San Diego County	16.1%	15.0%	(6.83%)

## 5.0 ORGANIZATION

### 5.1 Governance

Majestic Pines CSD's governance authority is established under the Community Services District Law (Government Code §61000-61850). This principal act empowers Majestic Pines CSD to provide a full range of municipal services upon approval by LAFCO with the notable exception of direct land use control. As of date, Majestic Pines CSD is authorized to provide one municipal service: domestic water. All other latent powers enumerated under the principal act would need to be formally activated by LAFCO before Majestic Pines CSD would be allowed to initiate. Similarly, should it ever seek to divest itself of directly providing an active service, Majestic Pines CSD would also need to seek LAFCO approval. A list comparing Majestic Pines CSD's active and latent powers follows.

#### **Active Service Powers**

Water (domestic only)

#### **Latent Service Powers**

Fire Protection  
Road, Bridge, and Curb  
Park and Recreation  
Police Protection  
Street Lighting  
Street Landscaping  
Street Cleaning  
Wastewater  
Reclamation  
Solid Waste  
Vector Control  
Animal Control  
Broadband Facilities  
Television and Radio Facilities  
Library  
Weed and Rubbish Abatement  
Hydroelectric  
Security  
Cemetery  
Finance Area Planning Commissions  
Finance Municipal Advisory Councils  
Mailbox Services

Majestic Pines CSD has been governed since its formation in 1993 as an independent special district with registered voters comprising a five-member governing board. Members are either elected or appointed in lieu of a consented election to staggered four-year terms with a rotating president system. The Board regularly meets on the third Wednesday each month located at 1405 Banner Road in Julian. A current listing of Majestic Pines CSD Board of Directors along with respective backgrounds and years served with the District follows.

#### Majestic Pines CSD | Current Board Roster

Table 5.1a (Source: Majestic Pines CSD)

Member	Position	Background	Years on Board
Kurt Boettcher	President	n/a	n/a
Joseph Connolly	Vice President	n/a	n/a
John Jones	Treasurer	n/a	n/a
Robert Markart	Secretary	n/a	n/a
Kevin Dubler	Member	n/a	n/a

## 5.2 Administration

Section pending.

## 6.0 MUNICIPAL SERVICES

Majestic Pines CSD provides one municipal service: domestic water. A summary analysis of this service follows with respect to capacities, demands, and performance.

### 6.1 Domestic Water Service

Majestic Pines CSD's domestic water services commenced at the time of its formation in 1993 and involved assuming ownership and operation of facilities that were previously held by CSA No. 4. The water system currently includes 699 metered connections all of which are categorized as residential and divided between three connected zones.<sup>39</sup> One of the zones serves the Whispering Pines Subdivision and accounts for approximately one-third of current connections. The other two zones serve the Kentwood-in-the-Pines Subdivision and the remaining two-thirds of connections and can gravity feed into the Whispering Pines zone.

<sup>39</sup> Connection information reflects data on file with the State Water Quality Control Board – Drinking Water Division.

## Service Capacities

Majestic Pines CSD's domestic water supplies are all locally sourced and drawn from three active groundwater wells that lie within the northern quarter of the San Diego River Watershed and divided between three sites. Pumping rates at the well sites collectively provide Majestic Pines CSD with an estimated maximum daily raw water supply of 0.641 million gallons or 1.97 acre-feet. If operated continually these amounts would translate to an annual raw water supply of 233.892 million gallons or 717.9 acre-feet under maximum conditions. No formal analysis has been performed to quantify the reliability of the raw water sources during different hydrological periods.

### Majestic Pines CSD | Raw Water Supplies

Table 6.1a (Source: Majestic Pines CSD | LAFCO)

Source	Maximum Minute Capacity	Maximum Daily Capacity	Maximum Annual Capacity
Groundwater	445 gallons	0.641 million gallons or 1.97 acre feet	233.892 million gallons or 717.7 acre feet

Capacity Amounts Reflect Existing Pumping Rates

All raw water supplies generated from the local groundwater sources are processed by Majestic Pines CSD at one of three water treatment facilities. Each well site directs pumped groundwater to its own treatment facility for oxidation and sand filtering to remove iron and manganese. The combined daily treatment capacity of the three facilities is 0.648 million gallons or 1.99 acre-feet. Booster pumps convey treated water to storage tanks located at the height of both pressure zones. The combined storage capacity is 0.760 million gallons or 2.3 acre-feet. The three tanks collectively provide pressure throughout the distribution system with an automated signal to activate pumps from the treatment facilities based on an operator schedule as needed.

### Majestic Pines CSD | Treatment Facility

Table 6.1b (Source: Majestic Pines CSD | LAFCO)

Name	Targeted Containments	Daily Treatment Capacity
Whispering Pines	Iron, Manganese, and Arsenic	0.180 million gallons
Kentwood No. 1	Iron and Manganese	0.180 million gallons
Kentwood No. 2	Iron and Manganese	0.288 million gallons
Total		0.648 million gallons or 1.99 acre-feet

Majestic Pines CSD   Treated Water Storage			
Table 6.1c (Source: Majestic Pines CSD   LAFCO)			
Name	Constructed Year	Pressure Zone	Capacity
Tank No. 1	n/a	Whispering Pines	0.320 million gallons
Tank No. 2	n/a	Kentwood Zone 1	0.220 million gallons
Tank No. 3	n/a	Kentwood Zone 2	0.220 million gallons
Total			0.760 million gallons or 2.33 acre-feet

## Service Demands

Majestic Pines CSD's average annual water demand production over the five-year report period has been 30.660 million gallons or 94.1 acre feet. The most recent year-end amount showed total demand at 32.900 million gallons or 100.95 acre-feet and represents an average daily water demand of 90,137 gallons or 0.28 acre-feet. This latter amount is further broken down into equivalents of 129 gallons per day for every service connection and 82 gallons for every estimated fulltime resident. The average peak-day demand – the highest one-day sum in a given year – over the report period has been 0.166 million gallons or 0.5 acre-feet. This latter amount produces an average peaking factor of 2.0 and shows high-demand periods increase water usage by double.

With respect to trends, Majestic Pines CSD has experienced an overall increase of 3.8% in water demands – or 0.8% annually – over the five-year report period. The overall increase in water demands over the corresponding 60-month period falls below the estimated sum change in population of 4.25% and suggests residents have de-intensified their water usage. This latter comment is further illustrated in daily per resident use generally stagnating between the start and end points at 81 gallons.

Majestic Pines CSD daily water demands as measured by per capita use has minimally increased by 0.3% over the five-year report period from 80.7 gallons to 80.9 gallons. This contrast with the growth rate of 4.25% during the report period, and suggest residents are de-intensifying their water uses.

Majestic Pines CSD   Water Demands							
Table 6.1d (Source: Majestic Pines CSD and LAFCO)							
Category	2014	2015	2016	2017	2018	Average	Trend
Annual Total	31.700 mg or 97.3 af	28.700 mg or 88.1 af	28.900 mg or 88.7 af	31.100 mg or 95.4 af	32.900 mg or 101.2 af	30.660 mg or 94.1 af	3.8%
Average Day Total	86,849 g	78,630 g	79,178 g	85,205 g	90,137 g	84,000 g	3.8%
... Per Resident	81 g	72 g	72 g	77 g	81 g	77 g	0.3%
Peak Day Total	0.310 mg	0.120 mg	0.149 mg	0.126 mg	0.125 mg	0.166 mg	(59.7%)
.... Peaking Factor	3.6	1.5	1.9	1.5	1.4	2.0	(61.1%)

mg = million gallons  
af = acre feet

## Service Performance

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Majestic Pines CSD's domestic water system is currently operating with sufficient and excess capacity in supply, treatment, and storage with respect to accommodating existing demands based on usage generated during the five-year report period. Supply, treatment, and storage capacities are similarly expected to accommodate anticipated demands over the next five-year period. A prominent variable, however, remains and it involves the resiliency of Majestic Pines CSD's raw water supplies during different hydrological periods and merits further evaluation.

The following statements summarize and quantify existing and projected relationships between Majestic Pines CSD's capacities and demands now and going forward to 2023. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

### Water Supplies:

- Average annual water production demands generated over the five-year report period for the entire distribution system represents 13.1% of Majestic Pines CSD's accessible maximum raw supply. Assuming current trends continue this ratio will increase to 14.1% by 2023.
- It is assumed for planning purposes in this report the average annual water production demand generated over the five-year report period for the entire distribution system would represent 50.4% of Majestic Pines CSD's projected accessible raw supply under single-dry year conditions as footnoted.<sup>40</sup> Assuming current trends continue this ratio will increase to 54.1% by 2023.
- Average peak-day water production demands generated over the five-year report period represent 25.9% of the maximum daily raw water supply available to Majestic Pines CSD. Assuming current trends continue – and specifically over the last four years – this ratio will reset and decrease to 20.5% by 2023.

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<sup>40</sup> In the absence of a site-specific assessment LAFCO is referencing the State Water Project Delivery Report (2013) and its use of the 1976-1977 drought as a baseline year to project single-dry year conditions and the reduction therein in water supplies by 74% relative to normal/maximum conditions. Under this projection Majestic Pines CSD's maximum available raw water supply is reduced from 717.7 acre-feet to 186.6 acre-feet.

### Water Treatment:

- Average peak-day water projection demands generated over the five-year report period for the entire distribution system represents 25.9% of Majestic Pines CSD's existing total daily treatment capacity. Assuming current trends continue this ratio will decrease to 20.3% by 2023.

### Water Storage:

- Average peak-day water projection demands generated over the five-year report period for the entire distribution system represents 21.8% of Majestic Pines CSD's existing total potable storage capacity. Assuming current trends continue and specifically over the last four years this ratio will decrease to 17.3% by 2023.
- Majestic Pines CSD's total potable storage capacity can accommodate up to 4.6 consecutive days of average peak-day demands generated over the five-year report period for the entire distribution system without recharge. Assuming current trends continue this ratio will increase to 5.8 by 2023.

### Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows four violations for drinking water standards have been issued to Majestic Pines CSD since 2000. The last violation was issued in May 2010 and categorized as minor for not filing a report with the State.
- Majestic Pines CSD's most recent water quality report was issued in March 2018 and shows the results of self-monitoring conducted during 2017. The report is divided into testing for both primary and secondary contaminants as prescribed by the State. No excessive primary or secondary contaminants were identified.

### Water Rates

- Majestic Pines CSD charges two distinct fees for water service: (a) standby and (b) user. The fees were last updated in 2017 and collectively produce an equivalent monthly residential charge of \$72.00 based on the usage of 250 gallons per day.



## 7.0 FINANCES

### 7.1 Financial Statements

Majestic Pines CSD contracts with an outside accounting consultant (Douglas R. Ashbrook) to prepare an annual report to review the District's financial statements in accordance with established governmental accounting standards. This includes vetting the statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Majestic Pines CSD's short and long-term fiscal health with specific focus on sustaining its core service function: domestic water.

Majestic Pines CSD's most recent financial statements for the five-year report period were issued for 2016-2017.<sup>41</sup> The statements show Majestic Pines CSD experienced a moderate negative change over the prior fiscal year as its overall net position (regular accrual basis) decreased by (6.6%) from \$1.829 million to \$1.708 million and primarily attributed to an increase in liabilities.<sup>42</sup> The accompanying auditor's report did not identify any weaknesses or other related concerns. A summary of year-end totals and related trends drawn from audited statements during the study period regarding assets, liabilities, and net position follows.

Most Recent Year-Ending Financial Statements	
Assets	\$2,324,196
Liabilities	\$659,008
Deferred Outflow/Inflow	\$50,694
Net Position	\$1,707,812
Net Position Adjusted Less Pension/Benefits	\$1,877,785

#### Agency Assets

Majestic Pines CSD's audited assets at the end of 2016-2017 totaled \$2.324 million and is (1.8%) lower than the average year-end amount of \$2.366 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented less than one-fifth of the total amount – or \$0.429 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining four-fifths of the total – or \$1.895 million – with 91% of this amount being tied to buildings and equipment. Overall assets for Majestic Pines CSD have decreased by (1.0%) over the corresponding 48-month period (excludes 2017-2018).

<sup>41</sup> The audit for 2016-2017 was issued by Douglas R. Ashbrook on November 28, 2017.

<sup>42</sup> The ending net position is readjusted to \$1.935 million less new reporting requirements for pension and benefit obligations.

Majestic Pines CSD's Assets							
Table 7.1a   Source Majestic Pines CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	773,078	967,108	474,530	428,824	n/a	(44.5%)	660,885
Non-Current	1,528,051	1,479,956	1,915,993	1,895,372	n/a	24.1%	1,704,843
	\$2,301,129	\$2,447,064	\$2,390,523	\$2,324,196	n/a	(1.0%)	\$ 2,365,728

## Agency Liabilities

Majestic Pines CSD's audited liabilities at the end of 2016-2017 totaled \$0.659 million and is 22.0% higher than the average year-end amount of \$0.541 million documented during the five-year report period. Liabilities classified as current and representing obligations owed in the near-term accounted for slightly less than one-tenth of the amount and tied to accounts payable, including debt payments tied to a loan with the United States Department of Agriculture to construct a new water storage tank and distribution lines in 1996.<sup>43</sup> Liabilities classified as non-current comprise the remaining nine-tenths and cover loan debts as well as and pension and benefit obligations. Overall liabilities for Majestic Pines CSD have increased by 41.5% over the corresponding 48-month period and attributed to the introduction of new reporting requirements involving benefits.

Majestic Pines CSD's Liabilities							
Table 7.1b   Source Majestic Pines CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	42,391	39,517	47,630	50,476	n/a	19.1%	45,004
Non-Current	423,379	409,379	541,969	608,532	n/a	43.7%	495,815
	\$465,770	\$448,896	\$589,599	\$659,008	n/a	41.5%	\$540,818

## Net Position

Majestic Pines CSD's audited net position or equity at the end of 2016-2017 totaled \$1.708 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is (7.3%) lower than the average year-end sum of \$1.842 documented during the five-year report period. Three-fourths of the ending net position – or \$1.202 million – of the net position is invested in capital assets or otherwise restricted. Overall the net position has decreased by (6.9%) over the corresponding 48-month period and without adjusting for new pension and benefit reporting requirements.

Majestic Pines CSD's net position has decreased during the report period with an overall change of (6.9%) from \$1.835 million to \$1.708 million. The net position – however – shows an overall increase of 5.4% over the report period ending at \$1.935 million if adjusted to exclude new pension and benefit reporting requirements.

<sup>43</sup> Majestic Pines CSD's loan with the United States Department of Agriculture was in the full amount of \$606,576. The current balance as of July 1, 2018 on the loan totaled 380,379 with a maturity date of March 2036.

Majestic Pines CSD's Net Position							
Table 7.1c   Source Majestic Pines CSD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	965,118	908,930	1,198,930	1,201,864	n/a	24.5%	1,068,711
Restricted	134,099	147,647	161,094	66,168	n/a	(50.7%)	127,252
Unrestricted	736,142	941,591	468,520	439,780	n/a	(40.3%)	646,508
	\$1,835,359	\$1,998,168	\$1,828,544	\$1,707,812	n/a	(6.9%)	\$1,842,471
Adjusted ...	\$1,835,359	\$1,998,168	\$1,975,134	\$1,934,785	n/a	5.4%	\$1,935,862

The adjustment adds monies to the net position otherwise booked as liabilities involving pension and other benefit obligations.

Majestic Pines CSD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled \$0.440 million and represents the available and spendable portion of the fund balance and subject to discretionary designations. This unrestricted amount represents eight months of actual operating expenses and increases to twelve months when adjusted to exclude booked pension and benefit liabilities based on actual expenses in 2017-2018.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by Majestic Pines CSD covering the five-year report period shows the District has experienced negative financial changes in all three measured categories – liquidity, capital, and margin – utilized in this study. This includes liquidity levels as measured by the current ratio decreasing by (53.4%) from 18.2 to 8.5 and leaving Majestic Pines CSD with \$8.50 in available cash for every \$1.00 in pending and due debts. This decline in liquidity is also illustrated in days cash, which decreased by (67.2%) during the period. Available capital also decreased with the debt ratio rising by 40.1% from 20% to 28% with the latter representing the portion of the net position subject to external financing. The total margin has also decreased from 15.1% to (24.0%). A summary of ear-end liquidity, capital, margin, and management structure ratios follow.

Majestic Pines CSD: Financial Measurements							
Table 7.2a   Source LAFCO							
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	18.2	785	20%	15.1%	18.3%	22	17.8%
2014-2015	24.5	965	18%	27.9%	13.3%	23	38.7%
2015-2016	10.0	347	25%	(12.7%)	(10.0%)	13	(11.3%)
2016-2017	8.5	257	28%	(24.0%)	(36.4%)	12	(19.4%)
2017-2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average	15.3	588.5	23%	2%	(4.0%)	17.6	6.5%
Trend	(53.4%)	(67.2%)	40.1%	(258.7%)	(298.5%)	(44.4%)	(208.6%)

Liquidity

Capital

Margin

Management

## 7.3 Pension Obligations

Section pending.

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## F. WYNOLA WATER DISTRICT

### 1.0 OVERVIEW

The Wynola Water District (WD) is an independent special district formed in 1969. Formation proceedings were initiated by landowners for the purpose of supporting the development of the Wynola Estates; a planned development in the unincorporated community of Julian. Wynola WD encompasses an approximate 0.40 square mile or 255 acres jurisdictional boundary and entirely comprised of residential uses.

Governance is provided by a five-person board whose members are directly elected at-large by registered voters and serve staggered four-year terms.



Wynola WD is currently organized as a limited purpose agency with municipal activities presently tied only to providing domestic water service. All water supplies are locally sourced through groundwater. Wynola WD is also authorized – subject to LAFCO approving latent power activations – to provide wastewater and hydroelectric power services. The operating budget at the term of the report period was \$0.080 million (2017-2018). The last audited financial statements cover 2017-2018 with the net position totaling \$0.455 million with the unrestricted portion tallying \$0.144 million. This latter amount represents the equivalent of 27 months of normal operating expenses.

LAFCO independently estimates the fulltime resident service population within Wynola WD as of the term of the report period is 170 and accommodated through 73 current housing units. It is also projected this estimate of fulltime represents an overall increase of 11 since 2010 with a corresponding annual growth rate of 0.85%, which is one-tenth below the countywide rate. It is also projected growth will continue consistent with recent trends given there are no substantive development projects planned in Wynola WD and result in the fulltime population reaching 180 over the next five-year period to 2023. The median household income is \$63,818 based on the current five-year period average.

## 2.0 BACKGROUND

### 2.1 Community Development

Wynola WD is part of the unincorporated community of Julian with the latter's present-day development beginning with the discovery of gold in the 1860s with additional details footnoted.<sup>44</sup> The area comprising Wynola WD remained largely undeveloped with the exception of large family ranch and ancillary uses owned by the Mehm Family up and through the 1960s. It was during the 1960s when the Mehm Family began the planning process of dividing the lands into smaller lots as part of the first of three eventual phases – or units – of the Wynola Estates Subdivision. This included completing work on Unit One with the initial creation of two to three acre lots and private roadway network marked by its main arterial Springview Road.

### 2.2 Formation Proceedings

Wynola WD's formation was petitioned by the Mehm Family as the principal landowners in late 1968 in step with receiving approval from the County of San Diego to proceed with developing Unit One of the Wynola Estates Subdivision. The formation of Wynola WD was specific to providing domestic water service; no other powers were proposed and/or envisioned for the District in the initiating application materials. LAFCO approved the formation with voter confirmation in October 1969.

### 2.1 Post Formation Proceedings

A summary of notable activities undertaken by Wynola WD and/or affecting the District's service area following formation in 1969 is provided below.

- Mehm Family completes the construction of an initial water system in the early 1970 consisting of 6-inch cement mains along with eight well sites (Well 1 through 8).
- County approves Units Two and Three of the Wynola Estates in 1976 and 1981, respectively.
- LAFCO performs its first formal review of Wynola WD since its formation in conjunction with establishing a sphere for the District in 1984.

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<sup>44</sup> An expanded overview of the development of the Julian region is provided in the profile section for the Julian-Cuyamaca Fire Protection District beginning on page 68 of this report.

- Wynola WD drills and activates Well Nos. 9 and 10 in 1996 and 2001, respectively.
- Wynola WD experiences significant damage from the Cedar Fire in 2003 and includes losing Well No. 6. Wynola WD responds and drills and activates Well No. 11 in 2003.
- Several equipment failures occur in 2016 and Wynola WD requests and receives a \$50,000 grant from the County of San Diego to stabilize cash flow. Wynola WD proceeds to get voter approval for a \$1,000 per lot special assessment.
- LAFCO updates and affirms Wynola WD's sphere in 2007 and 2013 with no changes.

### 3.0 BOUNDARIES

#### 3.1 Jurisdictional Boundary

Wynola WD's existing boundary spans approximately 0.40 square miles in size and covers 255 unincorporated acres (parcels and public rights-of-ways) within one contiguous area. The jurisdictional boundary is entirely within the land use authority of the County of San Diego and subject to the Julian Community Plan.

The jurisdictional boundary is entirely anchored by the Wynola Estates Subdivision. There are currently 130 registered voters within the jurisdictional boundary.

Wynola WD's jurisdictional boundary spans 255 acres. The current density ratio is 1.5 residents per acre.

Total assessed value (land and structure) within Wynola WD is set at \$27.784 million as of December 2018 and translates to a per acre value ratio of \$0.107 million. The former amount – \$27.784 million – further represents a per capita value of \$0.163 million based on the estimated service population of 170. Wynola WD receives 0.00225% of the 1.0% in property taxes collected in its jurisdiction.

Current assessed value in Wynola WD is \$27.784 million and produces an annual property tax base of \$0.278 million. Less than 0.001% of the property tax revenue is allocated to Wynola WD.

The jurisdictional boundary is currently divided into 98 legal parcels and spans 249 acres. (The remaining jurisdictional acreage consists of public right-of-ways.) Almost all – or 98% – of the parcel acreage is under private ownership with more than four-fifths having already been developed and/or improved to date, albeit not necessarily at the highest density as allowed under zoning. The remainder of private

Nearly all of Wynola WD's jurisdictional boundary is under private ownership with 15 parcels totaling 46 acres remaining undeveloped.



### 3.2 Sphere of Influence

### 3.3 Current Boundary and Sphere Map



## 4.0 DEMOGRAPHICS

### 4.1 Population and Housing

Wynola WD's total fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 173 as of the term of the five-year report period. This amount represents 0.005% of the countywide total. It is also estimated the fulltime population has risen overall by 6.8% from 162 in 2010 and the last census reset. This translates to an annual growth rate of 0.85% and one-tenth below the countywide growth rate of 0.94%. It is projected the current growth rate will continue into the near-term and result in the fulltime population reaching 180 by 2023.

It is estimated there are 173 current fulltime residents within Wynola WD. It is also projected the resident population will increase consistent with recent trends – or 0.85% annually – and reach 180 by 2023.

Wynola WD   Population				
Table 4.1a (Source: Esri   LAFCO)				
Factor	2010	2018	2023	Annual Change %
Wynola WD	162	173	180	0.85%
San Diego County	3,095,264	3,344,136	3,499,829	0.94%

There are presently 73 residential dwelling units within Wynola WD. This amount has not increased since 2010. With respect to current housing unit totals, 81% are owner-occupied and 19% are renter-occupied with no identified vacancy. The average household size is 2.33 and has increased 3.6% over the preceding five-year period. The mean monthly housing costs in Wynola WD has decreased by (0.8%) from \$1,161 to \$1,152 based on the most recent five-year period averages. This current amount falls below the countywide cost of \$1,578.

Housing production in Wynola WD current totals 73 dwelling units. No units have been added since 2010. The average monthly housing cost in Wynola WD is \$1,152, and close to one-third lower than the countywide average.

Wynola WD   Population		
Table 4.1b (Source: Esri   LAFCO)		
Factor	Wynola WD	San Diego County
2010 Housing Units	73	1,164,766
2018 Housing Units	73	1,236,184
... Change	0	71,418
2010 Household Size	2.25	2.79
2018 Household Size	2.33	2.87
... Change	3.6%	2.87%
Current Monthly Housing Cost	\$1,152	\$1,578
Current Vacancy Rate	0%	5.4%

## 4.2 Age Distribution

The median age of residents in Wynola WD is 48.1 based on the current five-year period average. This amount shows the population is getting younger with the median age experiencing an overall decrease of (6.5%) from 51.7 over the preceding five-year period average. The current median age in Wynola WD, however, remains significantly higher than the countywide average of 35.3. Residents in the prime working age group (ages 25 to 64) make up less than half of the total population at 46.7% and is consistent with the countywide average of 47.0%. This latter amount also has decreased in Wynola WD by (17.2%) over the preceding five-year period.

Residents within Wynola WD tend to be older with a medium age of 48.1; an amount that is more than one-third higher than the countywide average of 35.3. Also the majority – 53.3% – of the residents are aged outside the prime working group of 25-64.

Wynola WD   Median Age			
Table 4.2a (Source: American Community Survey   LAFCO)			
Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	51.7	48.1	(6.5%)
San Diego County	34.6	35.3	2%

Wynola WD   Prime Working Age: 25-64			
Table 4.2b (Source: American Community Survey   LAFCO)			
Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	56.4%	46.7%	(17.2%)
San Diego County	53.4%	47%	(11.9%)

## 4.3 Income Characteristics

The median household income in Wynola WD is \$48,373 based on the current five-year period average. This amount represents a substantial decrease of (27.5%) from the preceding five-year period average of \$66,758. The current median household income in Wynola WD is also much lower in comparison to the current countywide median of \$66,259, which has separately increased over the preceding five-year period average by 4.2%. The current average rate of persons living below the poverty level in Wynola WD is 9.9%, which is lower than the countywide rate of 14.0%. This gap, however, is closing with the poverty rate in Wynola WD increasing by 33.8% over the last five-year period and more than four times the change in the countywide rate.

Wynola WD residents' average median household income has experienced a sharp decrease in recent years and is currently \$48,373. This amount is more than one-third less than the average countywide median income of \$66,758.

#### Wynola WD | Median Household Income

Table 4.3a (Source: American Community Survey | LAFCO)

Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	\$66,758	\$48,373	(27.5%)
San Diego County	\$63,857	\$66,529	4.2%

#### Wynola WD | Poverty Rate

Table 4.3b (Source: American Community Survey | LAFCO)

Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	7.4%	9.9%	33.8%
San Diego County	13%	14%	7.7%

### 4.4 Socioeconomic Indicators

Approximately 33.8% of residents that are age 25 and older in Wynola WD hold bachelor degrees or higher based on the current five-year period average. This is an increase of 4.3% from the preceding five-year average period, but still slightly below the countywide average total of 36.5%. Separately, the unemployment rate is 2.6% – and while sizably lower than the countywide average of 4.9% – marks more than a one-third increase from 4.1% from the earlier five-year average. It is also noted the non-English speaking population has grown in Wynola WD from 1.7% to 8.6%; a four-fold increase. Nearly one-third or 31.9% of the population collects retirement.

Unemployment levels within Wynola WD have decreased in recent years with the current five-year average totaling 2.6%. This amount is more than one-half lower than the current countywide average. Separately, Julian CSD has experienced a significant rise in non-English speaking residents by four-fold since 2010.

#### Wynola WD | Residents with Bachelor Degrees

Table 4.4a (Source: American Community Survey | LAFCO)

Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	32.4%	33.8%	4.3%
San Diego County	34.2%	36.5%	6.73%

#### Wynola WD | Non-English Speaking

Table 4.4b (Source: American Community Survey | LAFCO)

Jurisdiction	2007-2011 5-Year Average	2012-2016 5-Year Average	Change
Wynola WD	1.7%	8.6%	405.9%
San Diego County	16.1%	15%	(6.83%)

## 5.0 ORGANIZATION

### 5.1 Governance

Wynola WD's governance authority is established under the California Water District Act (Water Code §34000, et seq.) This principal act empowers Wynola WD to provide a limited range of municipal services upon approval by LAFCO. As of date, Wynola WD is authorized to provide only one municipal service: domestic water. All other powers enumerated under the principal act are deemed latent and would need to be formally activated by LAFCO at a noticed public hearing before Wynola WD would be allowed to initiate. Similarly, should it ever seek to divest itself of directly providing an active service, Wynola WD would also need to seek LAFCO approval at a notice public hearing. A list of active and latent powers follow.

#### Active Service Powers

Domestic Water

#### Latent Service Powers

Wastewater

Hydroelectric Power

Wynola WD has been governed since its formation in 1969 as an independent special district with registered voters comprising a five-member governing board. Members are either elected or appointed in lieu of a consented election to staggered four-year terms with a rotating president system. The Board regularly meets on the third Saturday each month at the Julian Public Library located at 1850 State Highway 78 in Julian. Members do not receive compensation for meeting attendance. A current listing of Wynola WD Board of Directors along with respective backgrounds and years served with the District follows.

#### Wynola WD | Current Board Roster

Table 5.1a (Source: Wynola WD)

Member	Position	Background	Years on Board
Brian Lightbody	President	Engineer	n/a
Steven Kincaid	Vice President	Private Business Owner	2.5
Maura Maloof	Treasurer	Auditor	2.5
Tim Taschler	Secretary	Professional Money Manager	1.5
Bill Geckeler	Director	Professor	2.5

## 5.2 Administration

Section pending.

## 6.0 MUNICIPAL SERVICES

Wynola WD provides one municipal service: domestic water. A summary analysis of this service follows with respect to capacities, demands, and performance.

### 6.1 Domestic Water Service

Wynola WD's domestic water services commenced at the time of its formation in 1969 and in conjunction with constructing a new system through the Mehm Family in the early 1970s to serve Unit One of the Wynola Estates Subdivision. The water system currently includes 72 metered connections all of which are categorized as residential and within a single zone.<sup>45</sup>

#### Service Capacities

Wynola WD's domestic water supplies are all locally sourced and drawn from five active groundwater wells that lie within the northern quarter of the San Diego River. These active wells range in depth from 780 to 1,020 subsurface feet and paired with current pumping capacities collectively provide Wynola WD with an estimated maximum daily raw water supply of 0.295 million gallons or 0.91 acre-feet. If operated continually these amounts would translate to a maximum annual raw water supply of 34.164 million gallons or 330.6 acre-feet. No formal analysis has been performed to quantify the reliability of the raw water sources during different hydrological periods.

Wynola WD   Raw Water Supplies			
Table 6.1a (Source: Wynola WD   LAFCO)			
Source	Maximum Minute Capacity	Maximum Daily Capacity	Maximum Annual Capacity
Groundwater	205 gallons	0.295 million gallons or 0.91 acre feet	107.748 million gallons or 330.6 acre feet

Capacity Amounts Reflect Existing Pumping Rates

All raw water supplies generated from the local groundwater sources are untreated.

<sup>45</sup> Connection information reflects data on file with the State Water Quality Control Board – Drinking Water Division.

Water pumped from the five active groundwater wells is directly conveyed into one of two adjacent above-ground tanks that are located next to the Wynola WD pump house. Each tank is equipped with a water level indicator to automate pumping from one of the five active wells based on an operator controlled schedule. The pump house conveys water from these two storage tanks into a third and final 5,000 gallon adjacent storage tank, which provides direct pressure for the distribution system and supported by a back-up generator. The distribution system spans one connected pressure zone and requires no other booster or pumping. The combined storage capacity is 0.115 million gallons or 0.35 acre-feet.

Wynola WD   Water Storage			
Table 6.1b (Source: Wynola WD   LAFCO)			
Name	Constructed Year	Pressure Zone	Capacity
Tank No. 1	n/a	Wynola	0.045 million gallons
Tank No. 2	n/a	Wynola	0.065 million gallons
Tank No. 3	1996	Wynola	0.005 million gallons
Total			0.115 million gallons or 0.35 acre-feet

## Service Demands

Wynola WD's average annual water demand production over the five-year report period has been 6.098 million gallons or 18.7 acre feet. The most recent year-end amount showed total demand at 5.340 million gallons or 16.4 acre-feet and represents an average daily water demand of 14,630 gallons or 0.05 acre-feet. This latter amount is further broken down into equivalents of 203 gallons per day for every service connection and 86 gallons for every estimated fulltime resident. The average peak-day demand – the highest one-day sum in a given year – over the report period has been 0.055 million gallons or 0.17 acre-feet. This latter amount produces an average peaking factor of 3.29 and shows high-demand periods increase usage by more three times of normal.

With respect to trends, Wynola WD has experienced an overall decrease of (37.3%) in water demands – or (7.4%) annually – over the five year report period. The overall decrease in water demands during the corresponding 60-month period contrasts with the 4.25% increase in fulltime residents and suggests residents have de-intensified their water usage and corresponds with a

Wynola WD's daily water demands as measured by per capita use significantly decreased by (39.6%) over the five-year report period from 139 gallons to 84 gallons. This contrasts with the parallel growth rate of 4.25% and substantiates usage is de-intensifying.



recent rate change.<sup>46</sup> This latter comment is illustrated in daily per resident use decreasing from 139 to 84 gallons during the 60-month period; a difference of (39.6%).

Wynola WD   Water Demands							
Table 6.1c (Source: Wynola WD and LAFCO)							
Category	2014	2015	2016	2017	2018	Average	Trend
Annual Total	8,520 mg or 26.1 af	5,670 mg or 17.4 af	5,670 mg or 17.4 af	5,290 mg or 16.2 af	5,340 mg or 16.4 af	6,098 mg or 18.7 af	(37.3%)
Average Day Total	23,342 g	15,534 g	15,534 g	14,493 g	14,630 g	16,707 g	(37.3%)
... Per Resident	139 g	92 g	92 g	84 g	84 g	98 g	(39.6%)
Peak Day Total	80,000 g	75,000 g	40,000 g	40,000 g	40,000 g	55,000 g	(50.0%)
.... Peaking Factor	3.43	4.83	2.57	2.57	2.76	3.29	(19.5%)

mg = million gallons  
af = acre feet

## Service Performance

Wynola WD's domestic water system is currently operating with sufficient and excess capacity in supply and storage with respect to accommodating existing demands based on usage generated during the five-year report period. (Wynola WD does not treat its groundwater supplies.) These supply and storage capacities are similarly expected to accommodate anticipated demands over the next five-year period. A prominent variable, however, remains and it involves the resiliency of Wynola WD's raw water supplies during different hydrological periods and merits further evaluation.

The following statements summarize and quantify existing and projected relationships between Wynola WD's capacities and demands now and going forward to 2023. This includes referencing California's Waterworks Standards (Title 22 of the Code of Regulations) and its requirements that all public community water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

### Water Supplies:

- Average annual water production demands generated over the five-year report period for the entire distribution system represents 5.7% of Wynola WD's accessible maximum raw water supply. Assuming current trends continue – and specifically since the most recent rate increase was implemented with additional rate steps pending – this ratio will decrease to 4.5% by 2023.<sup>47</sup>

<sup>46</sup> In July 2017, 67% of voters approved to increase the water rates over a five-year period effective January 2018. This results to an increasing percentage change annually beginning with 15% in Year 2 and ending with a 30% increase in Year 5.

<sup>47</sup> It is assumed annual demand trends will decrease each year through 2023 by (1.9%) consistent with the most recent three years.



- It is assumed for planning purposes in this report the average annual water production demand generated over the five-year report period for the entire distribution system would represent 21.8% of Wynola WD's projected accessible raw supply under single-dry year conditions as footnoted.<sup>48</sup> Assuming current trends continue this ratio will decrease to 17.3% by 2023.
- Average peak-day water production demands generated over the five-year report period for the entire distribution system represent 18.6% of the maximum daily raw water supply available to Wynola WD. Assuming current trends continue this ratio will decrease to 15.3% by 2023.

#### Water Treatment:

- Wynola WD does not operate treatment facilities; raw groundwater is directly conveyed into the distribution system with regular testing per State requirements.

#### Water Storage:

- Average peak-day water projection demands generated over the five-year report period for the entire distribution system represents 47.8% of Wynola WD's existing potable storage capacity. Assuming current trends continue this ratio will decrease to 39.2% by 2023.
- Wynola WD's potable storage capacity can accommodate up to 2.1 consecutive days of average peak-day demands generated over the five-year report period without recharge. This ratio is expected to increase to 2.5 over the next five years by 2023.

#### Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows five violations for drinking water standards have been issued to Wynola WD since 2000. The last violation was issued in September 2010 and categorized as major and involved a positive test of coliform.

---

<sup>48</sup> In the absence of a site-specific assessment LAFCO is referencing the State Water Project Delivery Report (2013) and its use of the 1976-1977 drought as a baseline year to project single-dry year conditions and the reduction therein in water supplies by 74% relative to normal/maximum conditions. Under this projection Wynola WD's available raw water supply is reduced from 330.6 to 85.9 acre-feet.

- Wynola WD’s most recent water quality report was issued in May 2018 and shows the results of self-monitoring conducted during 2017. The report is divided into testing for both primary and secondary contaminant levels as prescribed by the State. No excessive containments were reported involving primary drinking water standards. Three excessive containments involving iron, manganese, and turbidity were reported involving secondary drinking water standards.

### Water Rates

- Wynola WD charges two distinct fees for water service: (a) standby and (b) user. The fees were last updated in 2017 and collectively produce an equivalent monthly residential charge of \$65 based on the usage of 250 gallons per day. This amount will increase to 145.80 in \$2022 upon full implementation of an earlier voter approval.

## 7.0 FINANCES

### 7.1 Financial Statements

Wynola WD contracts with an outside accounting firm (Sonnenberg & Company) to prepare an annual report to review the District’s financial statements in accordance with established governmental accounting standards. This includes vetting Wynola WD’s statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Wynola WD’s short and long-term fiscal health with specific focus on delivering its single service function: domestic water.

Wynola WD’s most recent financial statements for the study period were issued for 2017-2018.<sup>49</sup> It shows Wynola WD experienced a positive change over the prior fiscal year as it overall net position (regular accrual basis) increased by 4.0% from \$0.438 million to \$0.455 million and attributed to a small operating surplus and increase in accounts receivable. The accompanying auditor’s report did not identify any material weaknesses or concerns. A summary of year-end totals and related trends drawn from audited statements during the report period regarding assets, liabilities, and net position follows.

Most Recent Year-Ending Financial Statements	
Assets	\$458,014
Liabilities	\$2,903
Deferred Outflow/Inflow	\$0
Net Position	\$455,111

<sup>49</sup> The audit for 2017-2018 was issued by Sonnenberg & Company on November 28, 2018.

## Agency Assets

Wynola WD's audited assets at the end of 2017-2018 totaled \$0.458 million and is 16.1% higher than the average year-end amount of \$0.395 million documented during the five-year report period. Assets classified as current with the expectation they could be liquidated within a year represented less than one-third of the total amount – or \$0.147 million – and primarily tied to cash and investments. Assets classified as non-current make up the remaining two-thirds of the total – or \$0.311 million – with 50.0% of this amount being tied to three storage tanks and distribution system. Overall assets for Wynola WD have increased by 42.8% over the corresponding 60-month period.

### Wynola WD's Assets

Table 7.1a | Source Wynola WD

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	194,023	202,676	186,036	133,364	146,940	(24.3%)	172,608
Non-Current	126,645	108,832	258,176	304,767	311,074	145.6%	221,899
	\$320,668	\$311,508	\$444,212	\$438,131	\$458,014	42.8%	\$394,507

## Agency Liabilities

Wynola WD's audited liabilities at the end of 2017-2018 totaled \$2,903 with an overall average during the five-year report period of \$867. This includes booking no liabilities during the first two years of the report period. Liabilities classified as current and representing obligations owed in the near-term accounted for the entire period-ending amount and tied to accounts payable.

### Wynola WD's Liabilities

Table 7.1b | Source Julian CSD

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Current	0	0	958	473	2,903	n/a	867
Non-Current	0	0	24,341	0	0	n/a	4,868
	0	0	\$25,299	\$473	\$2,903	n/a	\$5,735

## Net Position

Wynola WD's audited net position or equity at the end of 2017-2018 totaled \$0.455 million and represents the difference between the District's total assets and total liabilities. This most recent year-end amount is 17.1% higher than the average year-end sum of \$0.389 million

Wynola WD's net position has substantively increased during the report period with an overall change of 41.9% from \$0.321 million to \$0.455 million.

documented during the five-year report period. Close to three-fifths of the most recent year-end amount – or \$0.311 million – is tied to capital assets and/or legally restricted. Overall the net position has increased by 41.9% over the corresponding 60-month period.

Wynola WD's Net Position							
Table 7.1c   Source Wynola WD							
Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Trend	Average
Invested in Capital	126,645	108,832	258,176	304,767	311,074	145.6%	221,899
Restricted	0	0	0	0	0	0.0%	0
Unrestricted	194,023	202,676	160,737	132,891	144,037	(25.8%)	166,873
	\$320,668	\$311,508	\$418,913	\$437,568	\$455,111	41.9%	\$388,722

Wynola WD maintains one general fund underlying the net position. The unrestricted portion of the net position as of the last audited fiscal year totaled \$0.144 million and represents the available and spendable portion of the fund balance and subject to discretionary designations. The unrestricted amount represents 27 months of actual operating expenses in 2017-2018.

## 7.2 Measurements | Liquidity, Capital, and Margin

A review of the audited financial statement issuances by Wynola WD covering the five-year report period shows the District has experienced positive financial changes in two of the three measurement categories – liquidity, capital, and margin – used in this review. The lone negative measurement result involves liquidity levels and marked with the current ratio decreasing by nearly three-fourths from 194.2 to 50.6. Another liquidity measurement in days' cash also decreased during the report period by (29.4%). The other two measurements showed positive trends and highlighted with Wynola WD having high capital levels given the District finished the period with no long-term debt. Wynola WD also significantly improved margin levels over the last 24-month period with both positive operating and total ratios. A summary of year-end liquidity, capital, margin, and management structure ratios follow.

Wynola WD: Financial Measurements							
Table 7.2a   Source LAFCO							
Fiscal Year	Current Ratio	Days' Cash	Debt Ratio	Total Margin	Operating Margin	Equipment Replacement	Savings Ratio
2013-2014	n/a	1,237	0%	(42.7%)	(42.7%)	19	(0.3)
2014-2015	n/a	1,320	0%	(127.4%)	(127.4%)	20	(0.6)
2015-2016	194.2	1,305	6%	(103.7%)	(103.7%)	26	(0.5)
2016-2017	282.0	938	0%	24.4%	24.4%	36	0.3
2017-2018	50.6	873	0%	21.7%	21.7%	35	0.3
Average	175.6	1,135	1.2%	(45.5%)	(45.5%)	27	(0.2)
Trend	(73.9%)	(29.4%)	0.0	(150.8%)	(150.8%)	85.6%	(193%)

Liquidity

Capital

Margin

Management

### **7.3 Pension Obligations**

Wynola WD does not have any recorded pension obligations.

**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 6



2 People >

Paula Rahn was the court reporter. Let her know if you want the transcript.

Carmen A. Brock

CB

Ok. Thanks. I was on a court call. Thanks for handling this.

Joshua Heinlein

JH

These texts are way better than dealing with the crazy people at the Julian FD who have locked themselves in



iMessage



**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 7





# CLIENTS

Alpine Union School District

Apex Contracting & Restoration

Borrego Water District

Burn Institute

C&D Towing

Cameron Brothers Construction

City of Calexico

City of Carlsbad

City of Chula Vista

City of Coronado

City of Del Mar

City of El Cajon

City of El Centro

City of Encinitas

City of Imperial Beach

City of La Mesa

City of Lemon Grove

City of Lynwood

City of National City

City of Oceanside

City of Poway

City of San Diego

City of San Marcos

City of Santee

City of Solana Beach

City of Vista

Connelly Construction

County of San Diego

Cunningham BMW

Cuyamaca Water District

El Cajon Ford

Encinitas Fire Protection District

Episcopal Community Services

Heartland Community Facility Authority

Heartland Fire Training Facility Authority

Julian Cuyamaca Fire District

MD Enterprises

Metropolitan Transit Systems, Inc.

North County Dispatch JPA

North County Transit District

Paradise Chevrolet Cadillac

Paradise Electric

Ramona Municipal Water District

Riverview Water District  
MENU

SANDAG

San Diego Convention Center Corporation

San Diego Regional Training Center

San Diego Rural Fire Protection District

San Marcos Unified School District

Star Towing

TC Construction

Valley Center Fire Protection District

Yuima Municipal Water District

## REQUEST A CONSULTATION

CONTACT US

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The law firm of McDougal, Love, Boehmer, Foley, Lyon & Canlas was established in

### Questions?

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**DEFENDANT AND RESPONDENT JULIAN-CUYAMACA FIRE PROTECTION  
DISTRICT'S OPPOSITION TO PROPOSED INTERVENERS SAN DIEGO COUNTY  
LOCAL AGENCY FORMATION COMMISSION AND COUNTY OF SAN DIEGO'S  
MOTION FOR LEAVE TO INTERVENE AS REAL PARTIES IN INTEREST**

Exhibit 8

## Cory Briggs

---

**From:** Cory Briggs  
**Sent:** Tuesday, April 16, 2019 5:16 PM  
**To:** 'Gena Burns'  
**Cc:** 'Morgan Foley'  
**Subject:** RE: Julian-Cuyamaca Fire Protection District

Counsel:

My paralegal picked up two expandable folders from your office for the 37-2018-00020015 matter: one containing pleadings and discovery; and the other containing depo transcripts, a small file folder containing an invoice, and another small file folder containing three letters to Craig Sherman, Missy Spahr, and Ricardo Marinelli.

There was no other correspondence in the materials my client picked up from your office, and there were no e-mails. Is there really no other correspondence on this matter?

In addition, do you have any files on the other matters? I need those too.

Thanks.

Cory J. Briggs  
Briggs Law Corporation  
San Diego County: 4891 Pacific Highway, Suite 104, San Diego, CA 92110  
Inland Empire: 99 East "C" Street, Suite 111, Upland, CA 91786  
Telephone: 619-497-0021 (San Diego), 909-949-7115 (Inland Empire)  
Facsimile: 909-949-7121 (San Diego & Inland Empire)  
E-mail: cory@briggslawcorp.com

Please consider the environment before printing this e-mail, and print double-sided whenever possible.

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-----Original Message-----

From: Cory Briggs  
Sent: Tuesday, April 16, 2019 3:05 PM  
To: Gena Burns <gburns@mcdougallove.com>  
Cc: Morgan Foley <mfoley@mcdougallove.com>  
Subject: RE: Julian-Cuyamaca Fire Protection District

I just want to be sure I have everything -- including e-mail and paper correspondence -- involving the three cases reflected in the three attached substitution forms.

Thx.

Cory J. Briggs  
Briggs Law Corporation  
San Diego County: 4891 Pacific Highway, Suite 104, San Diego, CA 92110  
Inland Empire: 99 East "C" Street, Suite 111, Upland, CA 91786  
Telephone: 619-497-0021 (San Diego), 909-949-7115 (Inland Empire)  
Facsimile: 909-949-7121 (San Diego & Inland Empire)  
E-mail: cory@briggslawcorp.com

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-----Original Message-----

From: Gena Burns <gburns@mcdougalllove.com>  
Sent: Tuesday, April 16, 2019 2:24 PM  
To: Cory Briggs <cory@briggslawcorp.com>  
Cc: Morgan Foley <mfoley@mcdougalllove.com>  
Subject: RE: Julian-Cuyamaca Fire Protection District

Are you referring to the matter was appealed and is now closed? 37-2018-0023393 / D074324? Thanks.

Gena B. Burns  
Attorney  
619.440.4444 p | 619.440.4907 f  
La Mesa Village Plaza  
8100 La Mesa Boulevard, Suite 200  
La Mesa, CA 91942  
gburns@mcdougalllove.com

site | get directions

-----Original Message-----

From: Cory Briggs [mailto:cory@briggslawcorp.com]

Sent: Tuesday, April 16, 2019 2:17 PM  
To: Gena Burns  
Cc: Morgan Foley  
Subject: Re: Julian-Cuyamaca Fire Protection District

What about the third lawsuit? Are there any docs for it?

Cory

Sent from my iPhone. Please forgive any typos.

> On Apr 16, 2019, at 2:11 PM, Gena Burns <gburns@mcdougalllove.com> wrote:  
>  
> Good Afternoon:  
>  
> We have the file for the active litigation case for you to pick up -  
> Case No: 37-2018-20015 We never appeared as counsel in Case No. 37-2018-34179 so do not have a file for that case.  
>  
> Thanks.  
>  
> Thank you,  
> Gena B. Burns  
> Attorney  
> 619.440.4444 p | 619.440.4907 f  
> La Mesa Village Plaza  
> 8100 La Mesa Boulevard, Suite 200  
> La Mesa, CA 91942  
> gburns@mcdougalllove.com  
>  
> site | get directions  
>  
>  
> -----Original Message-----  
> From: Cory Briggs [mailto:cory@briggslawcorp.com]  
> Sent: Tuesday, April 16, 2019 9:17 AM  
> To: Gena Burns; Morgan Foley  
> Subject: Julian-Cuyamaca Fire Protection District  
>  
> Counsel:  
>  
> I have an opp brief due in the JCFPD lawsuits very soon. May I pick up your files for this client, including all  
correspondence (electronic and paper), by noon tomorrow?  
>  
> Thanks.  
>  
> Cory  
>  
> Sent from my iPhone. Please forgive any typos.  
>  
>





## PROOF OF SERVICE

1. My name is Monica Manriquez. I am over the age of eighteen. I am employed in the State of California, County of San Diego.

2. My ☒ business \_\_\_\_\_ residence address is Briggs Law Corporation, 4891 Pacific Highway, Suite 104, San Diego, CA 92110.

3. On April 18, 2019, I served \_\_\_\_\_ an original copy ☒ a true and correct copy of the following documents: Defendant and Respondent Julian-Cuyamaca Fire Protection District's Opposition to Proposed Interveners San Diego County Local Agency Formation Commission and County of San Diego's Motion for Leave to Intervene as Real Parties in Interest; Declarations of Mike Menghini, Brian Kramer, Karen Kiefer, Craig Sherman, and Cory J. Briggs

4. I served the documents on the person(s) identified on the attached mailing/service list as follows:

\_\_\_\_\_ *by personal service.* I personally delivered the documents to the person(s) at the address(es) indicated on the list.

\_\_\_\_\_ *by U.S. mail.* I sealed the documents in an envelope or package addressed to the person(s) at the address(es) indicated on the list, with first-class postage fully prepaid, and then I

\_\_\_\_\_ deposited the envelope/package with the U.S. Postal Service

\_\_\_\_\_ placed the envelope/package in a box for outgoing mail in accordance with my office's ordinary practices for collecting and processing outgoing mail, with which I am readily familiar. On the same day that mail is placed in the box for outgoing mail, it is deposited in the ordinary course of business with the U.S. Postal Service.

I am a resident of or employed in the county where the mailing occurred. The mailing occurred in the city of San Diego, California.

\_\_\_\_\_ *by overnight delivery.* I sealed the documents in an envelope/package provided by an overnight-delivery service and addressed to the person(s) at the address(es) indicated on the list, and then I placed the envelope/package for collection and overnight delivery in the service's box regularly utilized for receiving items for overnight delivery or at the service's office where such items are accepted for overnight delivery.

\_\_\_\_\_ *by facsimile transmission.* Based on an agreement of the parties or a court order, I sent the documents to the person(s) at the fax number(s) shown on the list. Afterward, the fax machine from which the documents were sent reported that they were sent successfully.

☒ *by e-mail delivery.* Based on the parties' agreement or a court order or rule, I sent the documents to the person(s) at the e-mail address(es) shown on the list. I did not receive, within a reasonable period of time afterward, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws \_\_\_\_\_ of the United States ☒ of the State of California that the foregoing is true and correct.

Date: April 18, 2019

Signature: \_\_\_\_\_

## SERVICE LIST

*Julian Volunteer Fire Company Association, et al. v. Julian-Cuyamaca Fire Protection District, et al.*  
San Diego County Superior Court Case No. 37-2018-00020015-CU-MC-CTL

---

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