



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

7b

AGENDA REPORT
 Business | Action

February 7, 2022

TO: Commissioners

FROM: Keene Simonds, Executive Officer

SUBJECT: **Second Quarter Update on the Adopted Workplan & Proposed Amendments to Sponsor New Legislation**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a quarterly update on the adopted workplan for 2021-2022 for discussion and possible action with respect to proposed amendments. The update is marked by work commencing on nearly two-thirds of all 30 projects through the second quarter with eight either completed or nearing their completion. The update also highlights projects expected to be a focus in the third quarter as well as recommends related amendments to begin the process to sponsor and/or otherwise facilitate legislation to enhance community engagement in municipal service reviews.

BACKGROUND

2021-2022 Workplan

San Diego LAFCO’s current fiscal year workplan was adopted at a noticed public hearing held in May 2021. The workplan includes 30 projects and divided into two distinct categories – statutory and administrative – along with priority assignments ranging from high to low. The Commission has approved two related amendments to the workplan to date and summarized

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in the accompanying footnote.¹

DISCUSSION

This item provides San Diego LAFCO with its quarterly update on accomplishing projects calendared in the adopted 2021-2022 workplan. The update tracks the Commission's progress through the close of the second quarter (December 31st) and confirms nearly two-thirds of all calendared projects have commenced with eight already completed or near their completion. Projects in this latter category include completing the relocation of the LAFCO office and establishing policies to guide translation protocols as well as nearing the completion of the work of the Fallbrook-Rainbow Ad Hoc Committee and a related regional municipal service review. All adopted workplan projects and their current statuses are detailed in Attachment One. Discussion on three priority projects expected to take additional focus in the third quarter follows along with detailing two related amendments.

Focus in the Third Quarter

The following three projects are expected to receive additional focus in the third quarter.

- No. 4 | Escondido Region Municipal Service Review: Part II
This high priority project involves completing the second and final part of a scheduled municipal service review on the Escondido region specific to the City of Escondido. It follows the earlier competition of Part I involving Rincon del Diablo Municipal Water District and Deer Springs Fire Protection District. Part II – notably and distinct from Part I – is being primarily prepared by the City of Escondido via Concordia Homes based on an earlier agreement with LAFCO and done so to allow the developer to sync the document with their pending subdivision filing now known as “Harvest Hills.” Subsequent sphere of influence updates for all agencies in the region will draw on both Parts I and II. The completion of Part II will also enable the Commission to proceed with its separate direction to proceed with a governance study to explore reorganization options between Escondido and Rincon del Diablo.
- No. 5 | Legislative Proposal to Amend Government Code Section 56133
This high priority project involves sponsoring and/or otherwise facilitating an amendment to Government Code Section 56133 and its provisions directing local agencies to receive LAFCO approval before providing services by contract beyond their boundaries less certain exemptions. Most local agencies appropriately defer to LAFCOs in determining exemption eligibility – but not all. This latter circumstance is the source of conflicts with LAFCOs as well as other local agencies in San Diego County and elsewhere. An amendment is accordingly being pursued to clarify and make certain that all exemptions – such as grandfathering eligibility and contracts between

¹ At the recommendation of the Executive Officer, the Commission amended the adopted workplan in August 2021 to split the Oceanside-Carlsbad Regional Municipal Service Review and in doing so, allow for separate studies on these subregions. A corresponding amendment was also made to remove and defer the Encinitas Regional Municipal Service Review.

two or more public agencies in which the subject services are deemed as equal substitutes for services already provided – are determined by LAFCOs or their Executive Officers. Staff continues to work with stakeholders to build support for the amendment and explore language enhancements. These outreach efforts have been accelerated going into the third quarter and ahead of the February 18th deadline to secure an author and introduce the amendment for the 2022 session. Ideally this deadline is met. However, if the deadline passes without an author staff will continue to focus on outreach for the amendment for the benefit of positioning as a replacement bill in 2022 and/or generating momentum heading into the 2023 session.

- No. 13 | San Marcos Region Municipal Service Review

This moderate-high priority ties to the Commission’s separately adopted study schedule and covers five local agencies: City of San Marcos; Buena Sanitation District; San Marcos Fire Protection District; Vallecitos Water District; and Vista Irrigation District. The municipal service review represents the first Commission check-in on the region since the early 2000s and will directly inform subsequent sphere of influence updates for all five agencies. Relatedly, the municipal service review will provide the Commission the opportunity to revisit a topic flagged in processing jurisdictional changes to address existing overlaps in water service boundaries and infrastructure.

Proposed Amendments

The following two related amendments to the workplans.

- Add | Enhancing Community Engagement in Municipal Service Reviews

It is proposed the Commission add a new workplan project in 2021-2022 to begin the process to sponsor and/or otherwise facilitate legislation to enhance community engagement in the municipal service review statute. This topic was discussed by the Commission at its November 2021 meeting with consensus to amend the workplan now to begin partnering with CALAFCO and other interested stakeholders. Key objectives involve ensuring completed municipal service reviews are directly communicated to governing boards and their constituents by requiring placement on the affected agencies’ agendas for informational purposes.² Consensus was also communicated to develop a local policy to establish additional community engagement processes in preparing service reviews and will accordingly be proposed in the 2022-2023 workplan.

- Remove | Facilitate and/or Participate in Rewrite of RCD Statute (No. 18)

This moderate priority project ties to a recommendation from the Commission’s recently completed municipal service review on RCDs to facilitate a needed rewrite of the principal act. This includes – among other priorities – clarifying service function powers in the statute and in doing so, clarify LAFCOs’ related task to regulate the

² Other related changes to the statute requiring LAFCOs to hold public hearings when taking up municipal service reviews and transmit formal notice to the affected agencies within 30 days of completing a municipal service review.

activation and deactivate of service functions. Work on this activity remains pending given delays in a related workplan project to convene to Ad Hoc Committee of local RCDs (No. 17) and not expected to advance this fiscal year.

- * It is proposed the two amendments replace each other in the workplan with the addition assuming placement under No. 18 as a moderate priority project.

ANALYSIS

San Diego LAFCO is generally proceeding as planned through the close of the second quarter specific to addressing the Commission's highest priority projects. This progression is reflected with five of the ten high priority projects having been completed or nearing completion. The remaining five high priority projects are all underway with two expected to be a focus in the third quarter as detailed above. Employee turnover – including the recent departure of the senior staff analyst – paired with restrictions on using consultants under AB5 is affecting the remainder of the workplan and most notably for the scheduled municipal service reviews given their resource demands. Amending the workplan as detailed above is separately merited consistent with earlier Commission feedback. These amendments will memorialize the Commission's commitment to stakeholders to begin the process to change the municipal service review statute to foster greater community engagement while removing an otherwise dormant project to balance workload.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the item and provide feedback as appropriate along with approving the proposed amendments identified in the preceding section. This recommendation would be accommodated by taking the actions outlined in the proceeding section as Alternative One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

- (a) Discuss the item and provide feedback
- (b) Approve the amendments to the workplan as described above.

Alternative Two:

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

Alternate Three:

Take no action.

PROCEDURES FOR CONSIDERATION

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

- 1) Receive verbal report from staff unless waived.
- 2) Initial questions or request for clarifications.
- 3) Discuss item and consider the staff recommendation.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) 2021-2022 Workplan with Status Notations

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[SECOND QUARTER UPDATE]



Subdivision of the State of California
REGIONAL SERVICE PLANNING

Workplan

2021-2022



San Diego LAFCO's Commission



San Diego LAFCO is governed by a 13-member "Commission" comprising county, city, special district, and public members. All Commissioners are appointed elected officials with the exception of the two public members. Commissioners serve four-year terms and divided between "regulars" and "alternates" and must exercise their independent judgment on behalf

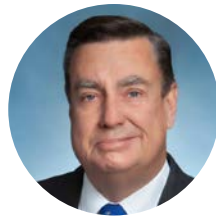
of the interests of residents, landowners, and the public as a whole. Commissioners are subject to standard disclosure requirements and must file annual statements of economic interests. The Commission has sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process.



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Commissioner
City of Chula Vista



Baron Willis
Commissioner
Alpine Fire Protection



Kristi Becker
Alternate
City of Solana Beach



David Drake
Alternate
Special District Member



Harry Mathis
Alternate
Public Member



Nora Vargas
Alternate
County of San Diego



Marni von Wilpert
Alternate
City of San Diego



Beautiful
Downtown
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Introduction:

Local Agency Formation Commissions’ (LAFCOs) operate as political subdivisions of the State of California and are delegated regulatory and planning responsibilities to oversee the formation and subsequent development of local government agencies and their municipal service areas. Common regulatory functions include approving jurisdictional changes (annexations, detachments, etc.) and outside service requests. Common planning functions include preparing studies to independently evaluate the availability and need for municipal services and establishing and updating spheres of influence – which are the Legislature’s version of urban growth boundaries and gatekeepers to future jurisdictional changes – for all cities and special districts.



Objective:

This document represents San Diego LAFCO’s formal 2021–2022 Workplan and formalizes the Commission’s priorities for the fiscal year. The Workplan is divided into two distinct categories – statutory and administrative – with sequential priority rankings from high to low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in a transparent manner over the 12-month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly. Additionally, and as needed, the Commission reserves discretion to amend the Workplan during the fiscal year.



Executive Summary:

The 2021–2022 Workplan continues to guide the Commission to prioritize proactive planning as an effective means to inform its regulatory responsibilities. Most notably, this includes the continued investment in preparing municipal service reviews as well as initiating policy reviews involving timely topics ranging from environmental justice to island annexations. Several administrative projects are also in the Workplan and take aim to improve LAFCO’s online services – such as expanding our digital mapping content as well as introducing video enhancements to the website. LAFCO has also expanded its typical duties in the Workplan to manage its first ever State grant program to track agricultural trends in San Diego County.

Workplan

2021-2022



Priority	Level	Project	Description	Status
Ongoing	...	Applicant Proposals and Requests	LAFCO will prioritize on an ongoing basis its available resources to process applicant proposals	
Ongoing	...	Targeted LAFCO Presentations	LAFCO will prioritize on an ongoing basis its resources to perform public outreach	
1	High	MSR Fallbrook-Rainbow Region	Complete the scheduled review of Fallbrook PUD, Rainbow MWD, CSA 81, & North County FPD	
2	High	Fallbrook-Rainbow Ad Hoc	Complete the work of the Ad Hoc in assisting in the administrative review of the associated reorganizations	
3	High	Office Space Needs	Review office space needs and proceed with executing new office lease and related actions as needed	
4	High	MSR Escondido Region Part II	Complete the scheduled review of the City of Escondido	
5	High	Leg Proposal G.C. 56133(e)	Sponsor and/or facilitate amendments to clarify LAFCOs' responsibility in determining OSA exemptions	
6	High	Commission Rule No. 4	Prepare comprehensive update to Rule 4 and its provisions regulating special districts' functions and classes	
7	High	MSR Oceanside Region	Complete scheduled review of City of Oceanside and local serving special districts in the region	
8	High	MSR Carlsbad Region	Complete scheduled review of City of Carlsbad and local serving special districts in the region	
9	High	Translation Policy	Establish procedures and related accommodations to communicate with non-English speaking communities	
10	High	Environmental Justice Policy	Consider policy options to address environmental justice in regulatory and planning activities	
11	High-Moderate	2020-2021 Audit	Complete outside audit of financial statements for 2020-2021	
12	High-Moderate	2022-2023 Workplan + Budget	Adopt proposed and final workplan and budgets documents by March and May 2022	
13	High-Moderate	MSR San Marcos Region	Complete the scheduled reviews of the City of San Marcos and surrounding local serving special districts	
14	High-Moderate	MSR Vista Region	Complete the scheduled reviews of the City of Vista and surrounding local serving special districts	

LEGEND: Underway = | Pending = | Near Completion = | Completion = | Ongoing =



The San Elijo Lagoon in Cardiff-by-the-Sea



« WORKPLAN | Status as of January 24, 2022

Priority	Level	Project	Description	Status
15	High-Moderate	Special Districts Advisory Cmte.	Provide administrative support to the Districts Advisory and hold no less than three meetings in FY	
16	High-Moderate	Cities Advisory Committee	Provide administrative support to the Cities Advisory Committee and hold no less than two meetings in FY	
17	Moderate	RCD Ad Hoc Committee	Coordinate work of the Ad Hoc Committee in implementing recommendations included in the final MSR on RCDs	
18	Moderate	Legislative Proposal RCDs	Facilitate and/or participate in a rewrite of RCD law and – among other priorities – clarify service functions	
19	Moderate	Policy Review Island Annexations	Consider options to define “substantially surrounded” and provide related mapping to inform review	
20	Moderate	SALT Grant Agricultural Trends	Implement two-year grant project to identify and track agricultural trends in San Diego County	
21	Moderate-Low	MSR Pauma Valley Region	Complete the scheduled review of local serving special districts in the Pauma Valley region	
22	Moderate-Low	Report on Mutual Water Companies	Prepare informational report on private mutual water companies consistent with AB 54	
23	Moderate-Low	Social Media	Establish internal guidelines in conjunction with expanding social media presence in communicating information	
24	Moderate-Low	SANDAG	Participate in SANDAG’s Technical Working Group (TWG) and provide update to Commission	
25	Moderate-Low	Application Procedures	Streamline existing application packet to be more user-friendly	
26	Low	Mapping Outside Utility Services	Establish a new GIS layer to identify existing outside wastewater and water service approvals	
27	Low	Website Enhancement SGMA	Add a dedicated page to the LAFCO website addressing SGMA and related GSA activities in San Diego County	
28	Low	Website Enhancement Videos	Add video discussions on current LAFCO projects and key duties on the website and cross-connected to social media	
29	Low	Annual Local Agency Directory	Update and publish local agency directory building on the inaugural version published in 2021	
30	Low	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service reviews and sphere actions	

LEGEND: Underway = | Pending = | Near Completion = | Completion = | Ongoing =



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