



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

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AGENDA REPORT
 Public Hearing

March 7, 2022

TO: Commissioners

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

SUBJECT: **Proposed “Sunray Lane Change of Organization” |
 Annexation to Otay Water District and Conforming Sphere Action (CO21-05)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization initiated by a landowner to annex 0.7 acres of unincorporated territory to the Otay Water District (WD). The affected territory as submitted comprises one parcel developed with a single-family residence in the of Valle de Oro community and immediately outside the District’s sphere of influence. The proposal purpose is to extend public wastewater service to the subject parcel to accommodate the planned construction of an accessory dwelling unit. Staff recommends conditional approval of the proposal as submitted with a conforming sphere amendment. Waiver of protest proceedings is also recommended.

BACKGROUND

Applicant Request

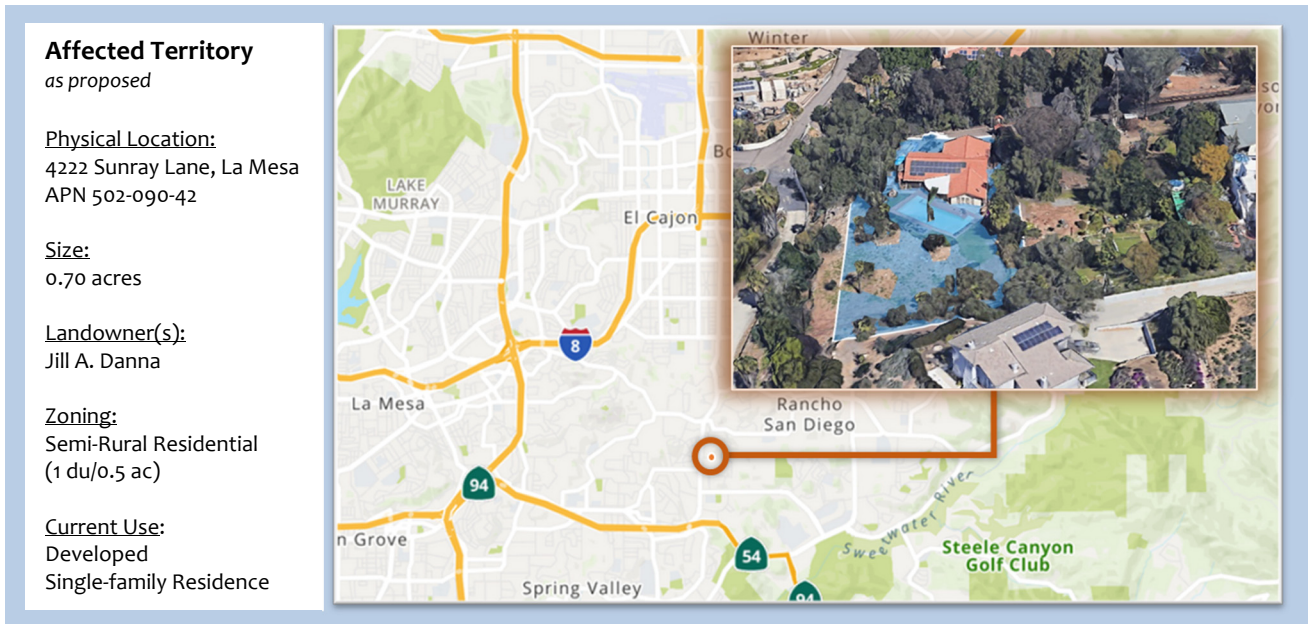
San Diego LAFCO has received a change of organization proposal initiated by an interested landowner – Jill Danna – requesting approval to annex 0.70 acres of unincorporated territory in Valle de Oro to Otay WD specific to wastewater service. The affected territory as submitted comprises one parcel developed with a 2,359 square foot single-family residence at 4222 Sunray Lane with an associated La Mesa zip code. The residence was built in 1976 and served

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by an onsite septic system. (Water service is provided by Helix Water District.) The County of San Diego Assessor’s Office identifies the subject parcel as 502-090-42.

Regional Setting

The affected territory is located in east San Diego County within the unincorporated community of Valle de Oro, south of Interstate 8 and north of State Highway 94. Principal access to the affected territory is provided by Avocado Boulevard via Sunray Lane. An aerial map of the affected territory and its regional setting follows. Attachment One shows the affected territory relative to the proposed boundary change involving Otay WD.



Affected Territory

as proposed

Physical Location:

4222 Sunray Lane, La Mesa
APN 502-090-42

Size:

0.70 acres

Landowner(s):

Jill A. Danna

Zoning:

Semi-Rural Residential
(1 du/0.5 ac)

Current Use:

Developed
Single-family Residence

Subject Agency

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

- Otay WD is an independent special district formed in 1956. The jurisdictional boundary spans 125.5 square-mile and includes the unincorporated communities of Spring Valley, La Presa, Rancho San Diego, and Jamul as well as an eastern portion of the City of Chula Vista with an overall projected District population of 225,164. A five-member Board of Directors oversees Otay WD’s three active municipal functions: domestic water; wastewater; and recycled water with the latter two being geographically restricted.² LAFCO most recently reviewed and updated Otay WD’s sphere of influence in 2013 and

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

² Wastewater services are limited to the northern half of the jurisdictional boundary and consists of 6.7 square miles of sewer lines that collects and conveys wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. (The balance is subsequently conveyed to the San Diego Metropolitan Wastewater (METRO) for additional treatment and disposal.)

it presently includes 776 non-jurisdictional acres; an amount equaling less than 1% of the jurisdictional boundary. Otay WD operates as an enterprise with user fees expected to cover day-to-day operations for all three active service functions. The most recently prepared outside audit shows Otay WD’s net position at \$405.3 million as of June 30, 2021 and reflects an overall three-year change of 4.6%. Otay WD’s total margin – i.e. bottom line – in 2020-2021 was 5.0%.

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of six local agencies directly subject to San Diego LAFCO’s planning and regulatory responsibilities under State law. These agencies qualify as “affected agencies” relative to the proposed change of organization and listed below.³

- County Service Area No. 135 (Regional Communications)
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- San Diego County Water Authority
- San Miguel Consolidated Fire Protection District

DISCUSSION

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

Proposal Purpose

The purpose of the proposed change of organization before San Diego LAFCO is to establish public wastewater service in support of an existing single-family residence within the affected territory and facilitate construction of an accessory dwelling unit. Extension of wastewater would add to existing services to the affected territory that include community planning, police, and roads from the County of San Diego, fire protection and emergency medical from San Miguel Consolidated Fire Protection District, and domestic water from Helix WD.

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

Development Potential

The County of San Diego General Plan designates the affected territory as Semi-Rural Residential (SR-.05) along with a matching zoning assignment. This zoning assignment provides a minimum parcel size of 0.5 acres, and accordingly prohibits any additional density via lot splitting within the subject parcel. Additional intensity is contemplated with each developed single-family residential parcel eligible for one accessory dwelling unit.

Commission Focus

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

ANALYSIS

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

Central Policy Items

Item No. 1 | Conforming Sphere of Influence Amendment

The proposed change of organization necessitates San Diego LAFCO consider a conforming sphere of influence action to achieve consistency with the requested jurisdictional change as required under statute. The action involves amendment to the Otay WD sphere of influence to include the affected territory to establish eligibility for the concurrent annexation. Consideration of the amendment is premised on the Commission’s statutory responsibility to designate spheres to demark the affected agencies’ appropriate service areas relative to community needs as determined by the membership. This includes demarking the Commission’s expectation of exclusive responsibilities for one or more specified municipal services. With these premises in mind, staff believes it would be merited for the Commission to proceed and approve the conforming sphere amendment to fully recognize Otay WD as the appropriate provider of wastewater services for the affected territory. Contributing justifications tie to the affected territory’s urbanizing location, proximity to existing infrastructure, and the Commission’s overall interest to promote orderly connections to public wastewater systems in developed areas.

CONCLUSION | MERITS OF A CONFORMING SPHERE OF INFLUENCE AMENDMENT

Proceeding with the conforming action to amend Otay WD’s sphere of influence to include the affected territory is sufficiently warranted. Justification is marked by the preceding analysis and support the Commission’s determinations to designate the Otay WD as the appropriate and exclusive wastewater service provider for the affected territory going forward through a relatively modest and self-contained amendment. Additional analysis is provided in Appendix A.

Item No. 2 | Change of Organization Timing

The timing of the change of organization involving annexation of the affected territory to the Otay WD for public wastewater service appears appropriate. This conclusion draws from the analysis of the statutory factors required for consideration of proposed jurisdictional changes along with the proposal’s conformance with locally adopted Commission policies. Most of the prescribed review factors and applicable policies focus on the effects of the proposed annexation on the service and financial capacities of the *receiving* agency, Otay WD (emphasis added). A summary of key conclusions generated in the review of these factors and policies with respect to service needs, capacities, and finances follow.

- Service Needs

Annexation of the affected territory to Otay WD would represent an orderly expansion of the District and wastewater services therein and marked by accommodating an existing and planned need. Additional details follow.

 - Establishing public wastewater services to the affected territory is consistent with the adopted residential land use policies of the County of San Diego; the governmental entity tasked now and into the foreseeable future with community planning by LAFCO as evident by the land not being within any city sphere.
 - Proceeding with the annexation of the affected territory to Otay WD parallels the expressed interest of the landowner as the initiating party to construct an accessory dwelling unit on the affected territory. This baseline needs help quantify the timing of the proposed change of organization.
- Service Capacities and Levels

Otay WD has available and sufficient collection and contracted treatment capacities to accommodate projected service demands in the affected territory at its planned maximum uses without expanding any public infrastructure. Additional details follow.

- An existing Otay WD wastewater main is located south of the affected territory within the public right-of-way on Carpenter Lane and accessible through an approximate 160-foot private lateral connection and by a private easement.⁴
- It is projected the maximum average day wastewater flow generated within the affected territory based on two residential units divided between one single-family residence and one accessory dwelling unit is 320 gallons. This projected amount can be readily accommodated by Otay WD and represents 0.053% of its available treatment capacity remaining within its wastewater system.⁵
- **Service Funding and Costs**
Otay WD's wastewater services operate as an enterprise with daily operations intended to be fully funded by user fees. A review of the last three audited fiscal years shows an average total margin of (3.6%) with the last year finishing at 5.0%. Otay WD also finished the last audited year with sufficient liquidity and capital levels and highlighted by a current ratio of 3.5 to 1 and a debt ratio of 29%. These final year measurements provide reasonable assurances of Otay WD's effective financial management and related resources to support wastewater services to the affected territory going forward.

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

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

Item No. 3 | Modifications and Terms

No modifications to the submitted change of organization have been identified by San Diego LAFCO staff meriting Commission consideration at this time. This includes conformation that the annexation of the affected territory would not generate any corridors and/or otherwise illogical jurisdictional features. Staff is recommending applying standard terms of approval.

4 Otay WD has notified the landowner that they would need to secure easement rights from the neighbor.

5 Otay WD's existing average day wastewater flow is 1.080 million gallons, which equals 64.3% of overall capacity at its Ralph W. Chapman WR Facility.

CONCLUSION | MODIFICATIONS AND TERMS

No modifications appear warranted. Standard approval terms are recommended and include receipt of all remaining payments associated with the processing of the proposal by the Commission through recordation.

Other Statutory Considerations

Exchange of Property Tax Revenues

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

Environmental Review

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

- San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. It is recommended the Commission find this action – and specifically the amendment of the Otay WD’s sphere to include the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.
- San Diego LAFCO serves as lead agency under CEQA for assessing potential impacts of the proposal and specifically the annexation and extension of public wastewater service to the affected territory. Staff believes the proposal qualifies as a project but is exempt from further review under State CEQA Guidelines Section 15319(b) and its cross-reference to Section 15303. This exemption appropriately applies given the proposed change of organization could potentially accommodate no more than one single-family residence in an urban area based on current zoning.

Protest Proceedings

Protest proceedings for the proposed change of organization may be waived by San Diego LAFCO should the Commission proceed with an approval under Government Code 56662. The recommended waiver appropriately applies under this statute given the affected territory is uninhabited as defined under LAFCO law (i.e., less than 11 voters); the subject agency has not filed an objection to the waiver; and the landowner consents to the underlying action.

RECOMMENDATION

Staff recommends approval of the change of organization as submitted along with standard terms. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):

Adopt the attached draft resolution approving the change of organization proposal as submitted along with standard approval terms and protest hearing waiver.

Alternative Two:

Continue consideration to the next regular meeting.

Alternative Three:

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

PROCEDURES FOR CONSIDERATION

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

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

On behalf of the Executive Officer,



Priscilla Allen
Analyst I

Appendices:

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

Attachments:

- 1) Vicinity Map of the Affected Territory
- 2) Draft Resolution of Approval
- 3) Application Materials

APPENDIX A

STATEMENT OF DETERMINATIONS SPHERE OF INFLUENCE FACTORS Government Code Section 56425

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

The affected territory as submitted comprises one unincorporated parcel within the community of Valle de Oro. The subject parcel is 0.70 acres with an existing single-family residence and planned development of an accessory dwelling unit. The existing and planned land uses are consistent with the County of San Diego’s adopted land use policies. The affected territory does not contain open-space or agricultural lands. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present and planned land uses.

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

There is an existing need for public wastewater services within the affected territory to accommodate the current and planned residential use of the subject parcel. This includes transitioning an existing single-family residence off an aging septic system while accommodating the planned construction of a new accessory dwelling unit. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present and probable service needs.

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

Otay WD has existing infrastructure and related capacities to readily accommodate wastewater demands within the affected territory through the Ralph W. Chapman WR Facility. Projected demands for wastewater within the affected territory are not expected to consume more than 0.05% of Otay WD’s existing excess capacities. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present capacities.

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

The affected territory lies immediately outside Otay WD’s sphere of influence and jurisdictional boundary. Amendment to the sphere to include the affected territory would serve to establish direct social and economic ties between the affected territory and Otay WD and mirror the interests the District maintains with adjacent territories in Valle de Oro.

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

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

APPENDIX B

Government Code Section 56668

Proposal Review Factors

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

The affected territory as submitted comprises one 0.70-acre unincorporated parcel in the unincorporated community of Valle de Oro. The subject parcel is developed with a single-family residence at 4222 Sunray Lane (APN 502-090-42) and presently occupied with two residents. The affected territory lies within an urban-residential area with moderate growth anticipated in the surrounding area within the next 10-year period. Total assessed value (land and structures) of the subject parcel is \$727,269 with the last transaction recorded in June 2020.

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

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

- **Extending Public Wastewater to Affected Territory**

The affected territory and its existing residential use is currently dependent on an on-site underground septic disposal system. Following annexation, the existing septic system would be backfilled and abandoned as part of the connection to Otay WD wastewater services. Connection to Otay WD is readily available through an approximate 160-foot lateral to an existing wastewater main located within public right-of-way on Carpenter Lane. The projected average daily wastewater flow for the affected territory at its maximum use under current zoning is 320 gallons and would accommodate two residences (one single-family residence and one accessory dwelling unit). This projected amount represents 0.053% of the current 0.48 million gallons of available and remaining daily contracted capacity allocated to Otay WD through the METRO Wastewater JPA and Ralph W. Chapman WR Facility.

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

Approving the change of organization and annexation therein to Otay WD would establish economic and social ties between the District and the affected territory based on mutual interest therein in expanding the role of the District as the wastewater provider for the area.

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

Approving the proposed change of organization and annexation to Otay WD would facilitate the extension of public wastewater services to the existing single-family residence currently comprising the affected territory and the planned accessory dwelling unit. Approval would be consistent with the Commission’s adopted policies to sync urbanized uses with urbanized services. The affected territory does not contain “open-space” as defined under LAFCO law and no conflicts exists under Government Code Section 56377. Additional analysis concerning conformance with germane Commission policies follows.

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

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

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

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

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds that appears consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the map and geographic description by the County Assessor’s Office and

address any modifications enacted by the Commission.

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

The proposed change of organization would extend wastewater service to one existing single-family residence and one planned accessory dwelling unit. The proposal and its anticipated outcomes do not generate any known conflicts with *San Diego Forward*, the regional transportation plan adopted by the San Diego Association of Governments.

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

The affected incorporated territory is presently designated for semi-rural residential use under the adopted land use policies of the County of San Diego. The affected territory is zoned as SR-.05, which prescribes a minimum parcel size of 0.5 acres. The existing and planned residential uses are consistent with the proposal's purpose to provide public wastewater to the existing single-family residence and planned accessory dwelling unit.

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

See Appendix A.

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

Notice of the submitted change of organization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on February 25, 2022.

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

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

- Otay WD's last audit covers 2020-2021 and shows the District finished with sufficient liquidity levels with an agency-wide current ratio of 3.5 (i.e., \$3.50 in current assets for every \$1.00 in current liabilities).
- Otay WD finished 2020-2021 with good capital levels and marked by a debt ratio of 29.0% (i.e., only \$29.00 out of every \$100.00 in net assets are financed.)

- Otay WD finished 2020-2021 with an overall total margin of 5.0%.

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

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

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

The proposed change of organization would not impact any local agencies in accommodating their regional housing needs. All potential units tied to the lands are already assigned to the County of San Diego by the region's council of governments. The annexation to the Otay WD would not affect this assignment.

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

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

o) Any information relating to existing land use designations.

See above analysis for (h).

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

As used in this review factor, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed change of organization does not include locating new public facilities and the proposed provision of public services would be limited to the existing single-family residence and one accessory dwelling unit. Approval of the proposed change of organization is not anticipated to affect the promotion of environmental justice.

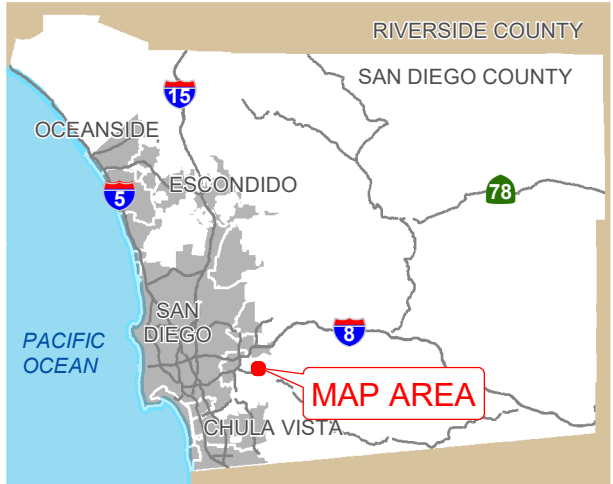
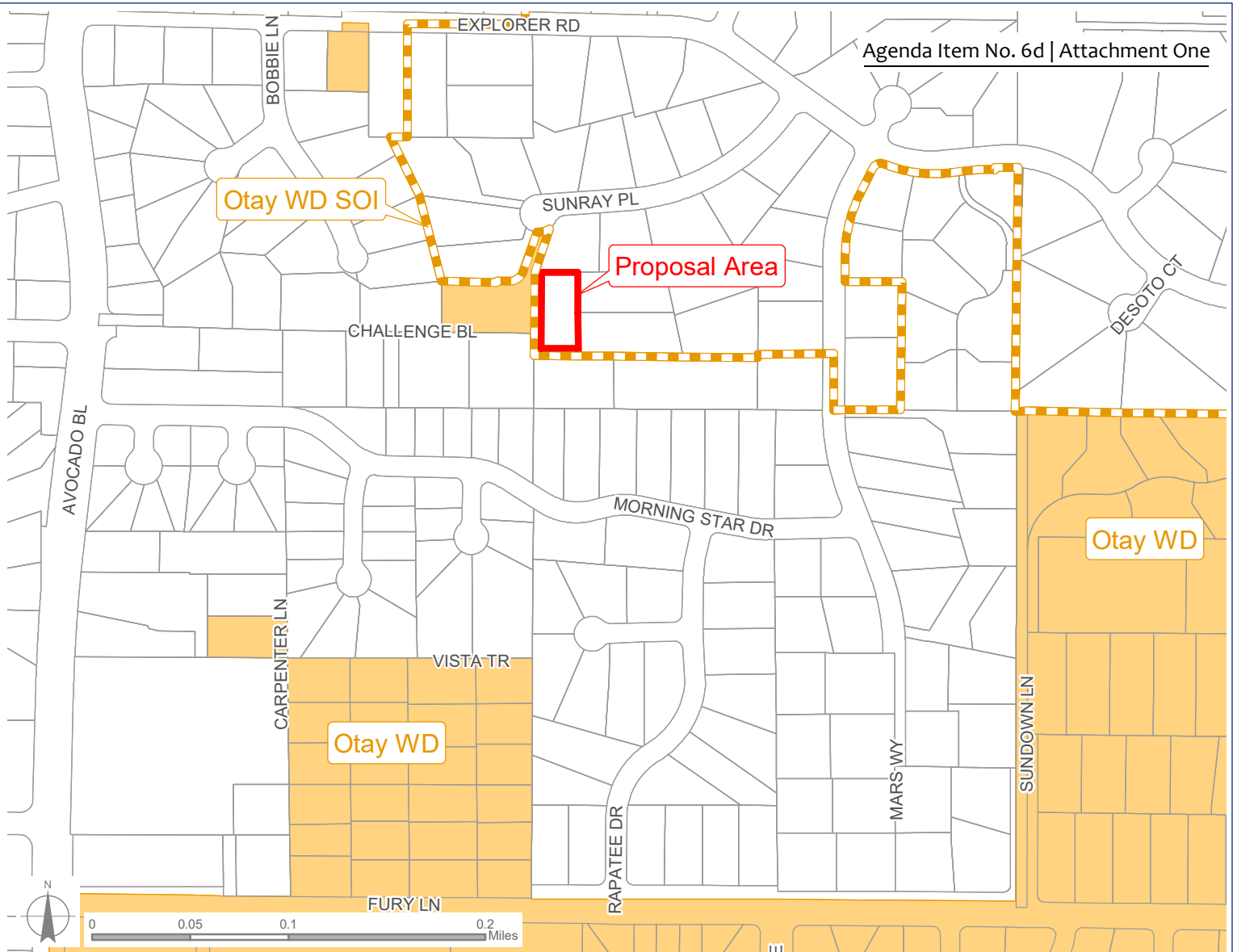
- q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the affected territory.**
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The County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding and earthquakes. The affected territory lies outside any identified threat designations.




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

Approval of the change of organization would be in the best interest of the current and future landowners and/or 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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**"SUNRAY LANE CHANGE OF ORGANIZATION" |
CO21-05 PROPOSED ANNEXATION TO OTAY WATER DISTRICT
AND CONFORMING SPHERE OF INFLUENCE AMENDMENT**

-  Proposal Area
-  Otay WD
-  Otay WD SOI

SOI = Sphere of Influence

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RESOLUTION NO. _____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

“SUNRAY LANE CHANGE OF ORGANIZATION”

ANNEXATION TO OTAY WATER DISTRICT AND CONFORMING SPHERE ACTION

LAFCO FILE NO. CO21-05

WHEREAS, on August 5, 2021, interested landowner – Jill A. Danna – filed a petition to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application seeks approval of a change of organization to annex 0.7 acres of unincorporated territory within Valle de Oro to the Otay Water District (WD) for purposes of established wastewater services; and

WHEREAS, the affected territory as proposed includes one legal parcel that is developed with a single-family residence and identified by the County of San Diego Assessor’s Office as 502-090-42; and

WHEREAS, an applicable master property tax transfer agreement applies to the proposed change of organization dated September 16, 2009; and

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the proposal on March 7, 2022; and

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

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

1. The public meeting was held on the date set therefore, and due notice of said meeting was given in the manner required by law.

2. At the public meeting, the Commission considered the Executive Officer's report.
3. The Commission serves as lead agency for environmental review of the proposed change of organization under the California Environmental Quality Act (CEQA) as detailed in the Executive Officer's report. The Commission's findings follow.
 - a) The Commission serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. The Commission finds this action – and specifically the amendment of the Otay WD's sphere to include the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.
 - b) The Commission serves as lead agency under CEQA for assessing potential impacts of the proposal and specifically the annexation and extension of public wastewater service to the affected territory. The proposal qualifies as a project but is exempt from further review under State CEQA Guidelines Section 15319(b) and its cross-reference to Section 15303. This exemption appropriately applies given the proposed change of organization could potentially accommodate no more than one single-family residence in an urban area based on current zoning.
4. The Commission APPROVES an amendment to Otay WD's sphere of influence to include the affected territory as further shown and described subject to all conditions below and in doing so makes the statements provided as Exhibit "A."
5. The Commission APPROVES the change of organization without modifications as described below and subject to conditions as provided. Approval involves all of the following:
 - a) Annexation of the affected territory to the Otay WD as shown in "Exhibit B-1" and described in "Exhibit B-2."
 - b) Annexation is limited to authorizing Otay WD to provide wastewater service to the affected territory; water service remains the exclusive responsibility of the Helix WD.
6. The Commission CONDITIONS all approvals on the following terms being satisfied by March 7, 2023 unless an extension is requested in writing and approved by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.

- b) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.
- c) Submittal to the Commission of the following payments:
 - A check made payable to LAFCO in the amount of \$100.00 for the County of San Diego-Clerk Recorder to reimburse for filing a CEQA Notice of Exemptions consistent with the findings in the resolution.
 - A check made payable to the State Board of Equalization for processing fees in the amount of \$300.00.
 - A check made payable to LAFCO in the amount of \$658.50 to reimburse the public hearing notice published in the San Diego Union Tribune.
7. The Commission assigns the proposal the following short-term designation: “Sunray Lane Change of Organization”
8. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
9. The Commission waives conducting authority proceedings under Government Code Section 56662.
10. The Otay Water District is a registered-voter district.
11. The Otay Water District utilizes the County of San Diego assessment roll.
12. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Otay Water District as provided under Government Section 57328.
13. The effective date of the approval shall be the date of recordation but not before the completion of a 30-day reconsideration period and only after all terms have been completed as attested by the Executive Officer.
14. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defects, errors, irregularities, or omissions.
15. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Sections 56880-56882 of the Government Code.
16. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on March 7, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Attest:

Keene Simonds
Executive Officer

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EXHIBIT A
SPHERE OF INFLUENCE DETERMINATIONS

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

The affected territory as submitted comprises on unincorporated parcel within the community of Valle de Oro. The subject parcel is 0.70 acres with an existing single-family residence and planned development of an accessory dwelling unit. The existing and planned land uses are consistent with the County of San Diego's adopted land use policies. The affected territory does not contain open-space or agricultural lands. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present and planned land uses.

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

There is an existing need for public wastewater services within the affected territory to accommodate the current and planned residential use of the subject parcel. This includes transitioning an existing single-family residence off an aging septic system while accommodating the planned construction of a new accessory dwelling unit. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present and probable service needs.

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

Otay WD has existing infrastructure and related capacities to readily accommodate wastewater demands within the affected territory through the Ralph W. Chapman WR Facility. Projected demands for wastewater within the affected territory are not expected to consume more than 0.053% of Otay WD's existing excess capacities. Amending the Otay WD sphere of influence to include the affected territory and facilitate public wastewater service is consistent with these present capacities.

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

The affected territory lies immediately outside Otay WD's sphere of influence and jurisdictional boundary. Amendment to the sphere to include the affected territory would serve to establish direct social and economic ties between the affected territory and Otay WD and mirror the interests the District maintains with adjacent territories.

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

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

EXHIBIT B-1
MAP OF THE AFFECTED TERRITORY

-Placeholder-

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EXHIBIT B-2
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

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

Part I: NOTICE OF INTENT TO CIRCULATE PETITION

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

1. Notice is hereby given to circulate a petition proposing to: ANNEXATION
into Otay Sewer

2. The reason(s) for the proposal are: We want to build an
ADU for a family member who is handycapped.
We need to go from septic to sewer

Jill Danna Jill Danna
Proponent's Name (print) Signature of proponent or representative
4222 Sunray Lane La Mesa Ca, 91941
Proponent's Address City, State, Zip

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

Date

Executive Officer (Print and Sign)

PART II: DISCLOSURE REQUIREMENTS

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

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

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

Part III: PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

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

(a) The specific change(s) of organization proposed is/are: Helix Sewer to Otay Sewer

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: Annexation into Otay Sewer

(d) The reason(s) for the proposal is/are: The only sewer lines in local area are part of Otay Sewer

(e) Signers of this petition have signed as (select one): [X] landowner; [] registered voter.

(f) The name(s) and mailing address(es) of the chief petitioner(s) (not to exceed three) is/are:

1. Jill Danna
Name of chief proponent (print)

4222 Sunray Ln La Mesa CA 91941
mailing address

2.
Name of chief proponent (print)

mailing address

3.
Name of chief proponent (print)

mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) [] is [] is not consistent with the sphere-of-influence of any affected city or district.

(i) The territory included in the proposal is (select one) [X] inhabited (12 or more registered voters) [] uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are:

2. The proposed name(s) of the new district(s) is/are: OTAY Sewer

3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: San Diego County

2. Provisions are requested for appointment of: [] city manager [] city clerk [] city treasurer

(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is:

Part IVa: REGISTERED VOTER PETITION

N/A

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

Each of the undersigned states:

- I personally signed this petition.
- I am a registered voter within the County of San Diego.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.

Name of Signer	Residence Address	Date Signed	Official Use
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

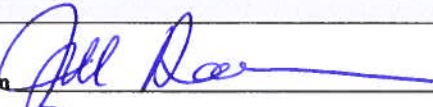
Part IVb: LANDOWNER PETITION

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

Each of the undersigned states:

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

N/A

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
Sign <u></u> Print <u>Jill Danna</u>	Parcel # 2 Map 10806	12/2/2021	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			