

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO FLOOD CONTROL DISTRICT
REGULAR MEETING
MEETING AGENDA
WEDNESDAY, JUNE 15, 2022, 9:00 AM
COUNTY ADMINISTRATION CENTER, ROOM 310
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

A. REGULAR SESSION: Meeting was called to order at 10:30 a.m.

PRESENT: Directors Nathan Fletcher, Chair; Joel Anderson; Terra Lawson-Remer; Jim Desmond; also, Ryan Sharp, Assistant Clerk of the Board of Supervisors.

ABSENT: Director Nora Vargas, Vice-Chair

(Members of the Flood Control District attended the meeting via teleconference and participated in the meeting to the same extent as if they were present, pursuant to Resolution No. 22-056, adopted May 24, 2022.)

B. Non-Agenda Public Communication: No Speakers

C. Approval of the Statement of Proceedings/Minutes for the meeting of May 24, 2022.

ACTION:

ON MOTION of Director Fletcher, seconded by Director Anderson, the Board of Directors of the San Diego County Flood Control District approved the Statement of Proceedings/Minutes for the meeting of May 24, 2022.

AYES: Anderson, Lawson-Remer, Fletcher, Desmond

ABSENT: Vargas

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Agenda Items

Agenda # Subject

1. NOTICED PUBLIC HEARING:
PUBLIC HEARING TO CONFIRM FISCAL YEAR 2022-23 LEVIES FOR PERMANENT ROAD DIVISION ZONES, COUNTY SERVICE AREAS AND ZONES, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ZONES, AND STORMWATER MAINTENANCE ZONES [FUNDING SOURCE: ASSESSMENT LEVIES ON PROPERTY OWNERS WITHIN THE IDENTIFIED DISTRICTS]

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 06; AND, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT AGENDA NO. FP02)

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1. **SUBJECT: NOTICED PUBLIC HEARING:
PUBLIC HEARING TO CONFIRM FISCAL YEAR 2022-23 LEVIES
FOR PERMANENT ROAD DIVISION ZONES, COUNTY SERVICE
AREAS AND ZONES, SAN DIEGO COUNTY FIRE PROTECTION
DISTRICT ZONES, AND STORMWATER MAINTENANCE ZONES
(DISTRICTS: ALL)**

OVERVIEW

Special districts are created by residents of a community to deliver specialized services the local county or city do not provide. There are a variety of special districts, and each type is governed under different State laws. The County of San Diego (County), San Diego County Flood Control District (Flood Control District), and San Diego County Fire Protection District (Fire District) use special districts as a funding mechanism to provide services, such as fire protection, flood control protection, private road, and landscape maintenance, parks, emergency communication, and paramedic services, across the unincorporated areas and in six cities (Del Mar, Solana Beach, Encinitas, Santee, and portions of Poway and San Diego) in San Diego county.

Services are primarily funded by property owners through assessments or special taxes that are collected through annual property tax bills, reducing the cost to ratepayers by eliminating the administrative costs from annual billing and payment collection. District boundaries were established by voters at the time of formation or as a condition of development. Services are primarily funded by parcels within each district's boundaries. The method for calculating how much each parcel pays varies based on the type of district and ordinances adopted when the districts were formed. The most common method for calculating the rate per parcel is based on a variety of factors, including land use, parcel acreage, or use type (single-family or multi-family). The assessments or special taxes cannot exceed the maximum amount in the adopted ordinance without an additional vote of the affected community. At the time of formation, some of the ordinances included cost escalators, tied to a specific cost index, to allow special districts to increase the maximum rate each year to keep pace with inflation. The most commonly used cost indices are the Consumer Price Index (CPI) which measures the cost of consumer goods, and the Construction Cost Index (CCI) which measures the cost of construction materials and labor.

Board of Supervisors Policy B-29: *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery* (Board Policy B-29) directs departments to recover the full cost of services provided to agencies or individuals. Staff reviewed each district to determine if revenues were adequate for services or if rates should be increased or decreased based on the budget. Staff determined that the proposed rates for Fiscal Year (FY) 2022-23 are needed to fund services and to ensure compliance with Board Policy B-29. Rates are also necessary to maintain financial reserves to fund future services, facility repairs, improvements, or replacements. All proposed rates are in accordance with Articles XIII A-D of the California Constitution, (Proposition 218) as amended to date and are within maximum rates set forth in each district's adopted ordinance; and therefore, do not require voter approval from affected property owners. Under Proposition 218, voters must approve special district formations and the maximum amount that can be collected from property owners.

Permanent Road Division Zones (County District)

There are 68 Permanent Road Division (PRD) Zones managed by the County Department of Public Works (DPW). 50 of the 68 PRD Zones levy property owner assessments or special taxes. Private road maintenance services funded by these PRD Zones are provided in multiple unincorporated communities. The amount each parcel is charged is determined by factors such as the type of land use, parcel size, and the number of dwelling units, which is represented by “benefit units”. Benefit units are used to quantify the specific level of benefit each parcel receives from the services. Rates will remain the same in 44 of the 50 PRD Zones that levy property owner assessments or special taxes. Six rate increases are being proposed to fund multi-year maintenance plans for road resurfacing, culvert repairs, and future road replacements. Three PRD Zones will have rate increases based on their approved cost escalators, and three PRD Zones will have rate increases based on voter approval. The approved cost escalator for the three PRD Zones is the Los Angeles Construction Cost Index (CCI), which measures construction labor and materials costs and is frequently used to account for inflation for construction projects in the San Diego region, as Los Angeles is the closest region to have a CCI for these zones. The six proposed annual rate increases for this upcoming FY are:

1. PRD Zone 30-Royal Oaks Drive/Carroll Lane is located in the unincorporated community of North County Metro (District 2). The proposed rate will increase from \$0 to \$100 based on a property owner approved rate increase, with a single-family residence assigned one benefit unit, or \$100 annually. Additional revenue will provide funding for planned road and culvert maintenance.
2. PRD Zone 99-Via Allondra/Via Del Corvo is located in the unincorporated community of North County Metro (District 5). The proposed rate will increase from \$105 to \$140 based on a property owner approved rate increase, with a single-family residence assigned four benefit units, or \$560 annually. Additional revenue will provide funding for planned road and culvert maintenance.
3. PRD Zone 101A-High Ridge Road is located in the unincorporated community of Lakeside (District 2). The proposed rate will increase from \$300 to \$400 based on a property owner approved rate increase, with a single-family residence assigned two benefit units, or \$800 annually. Additional revenue will provide funding for planned road maintenance.
4. PRD Zone 117-Legend Rock is located in the unincorporated community of Hidden Meadows (District 5). The proposed special tax will increase from \$1,411.59 to \$1,508.84 per parcel, based on the voter approved cost escalator. The increase is due to rising inflation, based on a 6.89% escalation in the Los Angeles CCI for 2021. Additional revenue will provide funding for planned road and culvert maintenance.
5. PRD Zone 133-Ranch Creek Road is located in the unincorporated community of Valley Center (District 5). The proposed rate will increase from \$1,419.69 to \$1,517.50 based on the voter approved cost escalator, with a single-family residence assigned one and a quarter benefit unit, for a total of \$1,896.88 annually. The increase is due to rising inflation, based on a 6.89% escalation in the Los Angeles CCI for 2021. Additional revenue will provide funding for planned road and culvert maintenance.

6. PRD Zone 1017-Kalbaugh/Haley/Toub Streets is located in the unincorporated community of Ramona (District 2). The proposed rate will increase from \$246.76 to \$263.76 based on a voter approved cost escalator, with a single-family residence assigned two benefit units, for a total of \$527.52 annually. The increase is due to rising inflation, based on a 6.89% escalation in the Los Angeles CCI for 2021. Additional revenue will provide funding for ongoing road maintenance.

County Services Areas (County District)

There are eleven County Services Areas (CSA) funded by assessments that are managed by multiple County departments based on the services provided. CSAs provide maintenance and operations for parks, landscaping, flood control, open space management, and emergency medical/paramedic services in multiple unincorporated communities and six incorporated cities (Del Mar, Solana Beach, Encinitas, Santee, and portions of Poway and the City of San Diego). Rates will remain the same in six of the eleven CSAs that levy assessments because revenues can fully fund planned services. The approved cost escalator for CSAs is the San Diego Consumer Price Index (CPI), which is based on a broad range of labor costs, goods, and services. Five rate increases are being proposed, which are based on the voter-approved San Diego CPI increase of 5.21%:

1. CSA 83A-San Dieguito Local Parks District is managed by the Department of Parks and Recreation and provides park amenities and services in the unincorporated community of 4S Ranch (District 2). The proposed rate will increase from \$135.00 to \$141.75 per single-family residence. The increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021, with a voter approved maximum cost escalator of 5%. It is anticipated that the additional revenue will be sufficient to fund increased costs for park maintenance and operations for FY 2022-23.
2. CSA 17-San Dieguito Emergency Medical Services is managed by San Diego County Fire and provides services to the cities of Del Mar, Solana Beach, Encinitas, and the City of San Diego communities of Del Mar Heights, and Del Mar Terrace, the unincorporated communities of Rancho Santa Fe, 4S Ranch, and a portion of Elfin Forest. (Districts 2 & 3). The proposed maximum annual special tax will increase from \$32.76 to \$34.47 per single family residence. The increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021. The additional revenue will ensure the CSA has adequate working capital.
3. CSA 69-Heartland Paramedic Services is managed by San Diego County Fire and provides services to the unincorporated community of Lakeside and the City of Santee (District 2). The proposed maximum annual special tax will increase from \$59.49 to \$62.59 per single-family residence. The increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021. The additional revenue will ensure the CSA has adequate working capital.

4. CSA 26 Zone A-Cottonwood Village is managed by DPW and provides open space fire-fuel management and landscape maintenance services in the unincorporated community of Rancho San Diego (District 4). The proposed rate will increase from \$100.00 to \$105.20, with the average a single-family residence assigned one benefit unit, for a total of \$105.20 annually. The rate increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021. The increase will ensure the CSA can fund annual fire-break services and maintain adequate working capital.
5. CSA 26 Zone B-Monte Vista is managed by DPW and provides landscape maintenance services in the unincorporated community of Rancho San Diego (District 4). The proposed rate will increase from \$178.09 to \$187.36 per single-family residence. The rate increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021. The increase will ensure the CSA can fund routine landscape maintenance services and maintain adequate working capital.

San Diego County Fire Protection District (Fire District)

There are ten zones in the San Diego County Fire Protection District funded by assessments or special taxes managed by San Diego County Fire that provide funds to supplement the cost of fire protection and emergency medical services across multiple unincorporated communities. Rates will remain the same in nine of the ten zones that levy assessments or special taxes because revenues are adequate to fully fund services; in addition, there is no voter approved cost price escalator for these nine zones. One rate increase is being proposed:

1. Fire District-Palomar Mountain provides services within the unincorporated community of Palomar Mountain (District 5). The proposed maximum annual special tax will increase from \$165.53 to \$170.50 per single-family residence. The increase is due to rising inflation, based on a 5.21% escalation in the San Diego CPI for 2021, with a voter approved maximum cost escalator of 3%. The additional revenue will be used to fund firefighting personnel and fire protection equipment and apparatus.

Flood Control District Stormwater Maintenance Zones (Flood Control District)

There are three Stormwater Maintenance Zones (SMZ) funded by assessments managed by the Flood Control District in DPW that provide maintenance of flood control facilities in multiple unincorporated communities. Rates will remain the same in two of the three zones that levy assessments because revenues can fully fund planned services. One rate increase is being proposed:

1. SMZ No. 4-4249-3-Lake Rancho Viejo is located in the unincorporated community of Fallbrook (District 5). The proposed rate will increase from \$320.57 to \$351.12 per single-family residence. The increase is due to rising inflation, based on a 9.53% escalation in the Los Angeles CCI from September 2020 to September 2021. The additional revenue will be used to fund increased costs for stormwater facility maintenance and operations.

This is a request for the Board to adopt resolutions to confirm assessments and special taxes and authorize levies for the 74 special districts administered by the County, the Fire District, or the Flood Control District. Upon adoption, the assessments and special taxes will be placed on the tax roll for FY 2022-23. These actions are discretionary after consideration of public testimony.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Acting as the Board of Directors, San Diego County Flood Control District:

Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FLOOD CONTROL DISTRICT ACTING AS THE GOVERNING BODY OF STORMWATER MAINTENANCE ZONES 3-4978-1 BLACKWOLF, 4-4249-3 LAKE RANCHO VIEJO, AND 3-5142-1 PONDEROSA, ADOPTING ASSESSMENTS AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2022-23.

EQUITY IMPACT STATEMENT

Today's action continues the County's commitment to providing programs and services that enhance our communities. Assessments and special taxes fund services that include fire protection, flood control protection, private road maintenance, landscaping, parks, emergency communication, and paramedic services which improve the health and safety of our local communities.

FISCAL IMPACT

The proposed assessment revenues are included in Fiscal Year (FY) 2022-23 CAO Recommended Operational Plan for the Departments of Public Works (DPW), Department of Parks and Recreation (DPR), Sheriff, San Diego County Fire (County Fire), San Diego County Flood Control District (Flood Control District), and the San Diego County Fire Protection District (Fire District). The proposed rate increases for 13 special districts will result in increases in revenue from property owner assessments of \$52,687.54 in total for DPW, \$283,135.92 in total for County Fire, \$30,579 for DPR, \$2,022 in total for the Fire District, and \$8,676.20 in total for the Flood Control District. There is no proposed change in rates for 61 special districts. There will be no change in net General Fund cost and no additional staff years.

The proposed assessment levies are estimated annually in an amount sufficient to recover full cost as required by Board Policy B-29: *Fees, Grants, Revenue Contracts-Department Responsibility for Cost Recovery*. Accordingly, there is no projected unrecovered cost, and a waiver of Board Policy B-29 is not needed. The funding source is assessment levies on property owners within the identified districts.

If the Board of Supervisors, acting on behalf of the County and other independent districts, does not adopt the resolutions, the proposed assessments and special taxes cannot be placed on the tax rolls for FY 2022-23. Without the funds generated by assessments, services for flood control protection, private road maintenance, parks, and landscape services would be reduced, and maintenance would be deferred. Fund balance would be leveraged to fill the gap for public safety communications systems, structural fire protection, and emergency medical services, which would impact the funding available for working capital.

BUSINESS IMPACT STATEMENT

N/A

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 06; AND, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT AGENDA NO. FP02)

ACTION:

ON MOTION of Director Fletcher, seconded by Director Anderson, the Board of Directors of the San Diego County Flood Control District closed the Hearing and action as recommended, adopting Resolution No. 22-090, entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FLOOD CONTROL DISTRICT ACTING AS THE GOVERNING BODY OF STORMWATER MAINTENANCE ZONES 3-4978-1 BLACKWOLF, 4-4249-3 LAKE RANCHO VIEJO, AND 3-5142-1 PONDEROSA, ADOPTING ASSESSMENTS AND CONFIRMING REPORTS RE: LEVIES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2022-23.

AYES: Anderson, Lawson-Remer, Fletcher, Desmond

ABSENT: Vargas

There being no further business, the Board of Directors of the San Diego County Flood Control District adjourned at 2:28 p.m.

ANDREW POTTER
Clerk of the Board of Directors of the
San Diego County Flood Control District

Notes: Vizcarra

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Flood Control District on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.