

June 26, 2024

STATEMENT OF PROCEEDINGS

The Minutes of the

***SAN DIEGO COUNTY FIRE PROTECTION
DISTRICT
REGULAR MEETING***

COUNTY OF SAN DIEGO

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO SAN DIEGO COUNTY FIRE PROTECTION DISTRICT
REGULAR MEETING
WEDNESDAY, JUNE 26, 2024, 9:00 AM
COUNTY ADMINISTRATION CENTER, ROOM 310
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

A. REGULAR SESSION – Regular Meeting was called to order at 9:39 a.m.

PRESENT: Directors Nora Vargas, Chair; Terra Lawson-Remer, Vice-Chair; Joel Anderson; Monica Montgomery Steppe; Jim Desmond; also, Ryan Sharp, Assistant Clerk of the Board of Supervisors.

B. Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) by a Director, if applicable.

C. Non-Agenda Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.

D. Approval of the Statement of Proceedings/Minutes for the meeting of June 4, 2024.

ACTION:

ON MOTION of Director Anderson, seconded by Director Montgomery Steppe, the Board of Directors of the San Diego County Fire Protection District approved the Statement of Proceedings/Minutes for the meeting of June 4, 2024.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

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.	PUBLIC HEARING TO CONFIRM FISCAL YEAR 2024-25 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 ITEM 07 AND FLOOD CONTROL DISTRICT ITEM FL02)

2. CONFIRM FISCAL YEAR 2024-25 LEVIES FOR COMMUNITY FACILITIES DISTRICTS AND RELATED CEQA EXEMPTION
[FUNDING SOURCES: SPECIAL TAX LEVIES FROM CFD NO. 2008-01, CFD NO. 2013-01, CFD NO. 2019-02, CFD NO. 2019-01, CFD NO. 2019-03, CFD NO. 2022-01, CFD NO. 04-1, AND CFD NO. 09-1 AND ARE PAID BY PROPERTY OWNERS]

(RELATES TO BOARD OF SUPERVISORS AGENDA ITEM 06)

1. **SUBJECT: PUBLIC HEARING TO CONFIRM FISCAL YEAR
2024-25 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 does 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 region 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 at the time of formation by voters 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) 2024-25 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. All proposed rates are within the 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. Without the funds generated by assessments, services would be reduced, and maintenance would be deferred.

Permanent Road Division Zones (County District)

There are 67 Permanent Road Division (PRD) Zones managed by the County Department of Public Works (DPW). Forty-nine of the 67 PRD Zones levy property owner assessments or special taxes. The 18 PRD Zones that do not levy an assessment or special tax are funded by a portion of annual countywide property tax revenues that was allocated by formula to special districts as a result of Proposition 13 (1978) and subsequent legislation, including Assembly Bill 8 (1979). The revenue these PRD Zones receive is adequate for services planned in FY 2024-25. 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 45 of the 49 PRD Zones that levy property owner assessments or special taxes. Four proposed rate increases will fund multi-year maintenance plans for road resurfacing, culvert repairs, and future road replacements. One PRD Zone will have a rate increase based on voter approval. Three PRD Zones will have rate increases based on their approved cost escalators. 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 four (4) proposed rate increases are:

1. PRD Zone 104-Artesian Road is located in the unincorporated community of San Dieguito (District 3). The proposed rate will increase from \$9.00 to \$85.00 per benefit unit based on a property owner-approved rate increase, with the average single-family residence assigned 13.3 benefit units, or \$1,130.50 annually. The current revenues are insufficient to fund recommended and community supported maintenance and repairs. The additional revenue will help fund planned pavement repairs and ongoing road and culvert maintenance to maintain the roads and culverts in good condition.
2. PRD Zone 117-Legend Rock is located in the unincorporated community of Hidden Meadows (District 5). The proposed special tax will increase from \$1,586.54 to \$1,730.28 per parcel, based on the voter approved cost escalator. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for planned road and culvert maintenance at current costs.
3. PRD Zone 133-Ranch Creek Road is located in the unincorporated community of Valley Center (District 5). The proposed rate will increase from \$1,595.64 to \$1,740.20 based on the voter approved cost escalator, with a single-family residence assigned one and a quarter benefit unit, for a total of \$2,175.26 annually. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for planned road and culvert maintenance at current costs.
4. PRD Zone 1017-Kalbaugh/Haley/Toub Streets is located in the unincorporated community of Ramona (District 2). The proposed rate will increase from \$277.34 to \$302.47 based on a voter approved cost escalator, with a single-family residence assigned two benefit units, for a total of \$604.93 annually. The increase is due to inflation, based on a 9.06% escalation in the Los Angeles CCI for 2023. Additional revenue will provide funding for ongoing road maintenance at current costs.

County Services Areas (County District)

There are 10 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 10 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. Four rate increases are proposed, which are based on the voter-approved San Diego CPI increase of 3.80%:

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 \$148.84 to \$154.49 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023, 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 2024-25.
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 \$36.69 to \$38.08 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023. The additional revenue will ensure the CSA has adequate working capital.
3. 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 \$112.00 to \$116.26, per average single-family residence. The rate increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023. The increase will ensure the CSA can fund annual fire-break services and maintain adequate working capital.
4. 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 \$199.44 to \$200.00 per single-family residence. The 0.28% rate increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023 and the district's maximum rate of \$200.00. 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 10 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 10 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 \$175.61 to \$180.88 per single-family residence. The increase is due to inflation, based on a 3.80% escalation in the San Diego CPI for 2023, 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 special tax will increase from \$351.12 to \$405.65 per single-family residence, based on the voter approved cost escalator. The increase is due to inflation, based on a 15.53% escalation in the Los Angeles CCI from September 2022 to September 2023. The additional revenue will be used to provide funding for planned 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 72 special districts administered by the County, the Fire District, and the Flood Control District. Upon adoption, the assessments and special taxes will be placed on the tax roll for FY 2024-25. These actions are discretionary after consideration of public testimony.

RECOMMENDATION(S)**EXECUTIVE DIRECTOR**

Acting as the Board of Directors, San Diego County Fire Protection District:

Adopt a Resolution entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF THE SPECIAL ASSESSMENT SERVICE ZONES, ADOPTING SPECIAL ASSESSMENTS AND CONFIRMING REPORTS RE: SPECIAL ASSESSMENTS TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2024-25. (ATTACHMENT G).

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.

SUSTAINABILITY IMPACT STATEMENT

Today's action to confirm special district assessments and taxes supports economic stability, promotes the health and well-being of citizens, and provides equitable access to County services. Maintaining roads in a timely manner prevents more costly maintenance in the future, contributing to economic sustainability. Fire protection, flood control protection, emergency communication and paramedic services protect the health and well-being of citizens and their properties. County parks provide citizens equitable access to outdoor recreation and nature opportunities. This action will help maintain a strong and resilient community.

FISCAL IMPACT

The proposed assessment revenues are included in Fiscal Year (FY) 2024-25 Operational Plan for the Departments of Public Works (DPW), Department of Parks and Recreation (DPR), Sheriff's Department, 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 10 special districts will result in increases in revenue from property owner assessments of \$168,502 for DPW, \$75,098 for County Fire, \$92,012 for DPR, \$2,145 for the Fire District, and \$15,486.52 in total for the Flood Control District. There is no proposed change in rates for 62 special districts. The funding source is the assessment levies on property owners within the identified districts. There will be no change in net General Fund cost and no additional staff years.

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 2024-25. 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 ITEM 07 AND FLOOD CONTROL DISTRICT ITEM FL02)

ACTION:

This item was withdrawn at the request of the Chief Administrative Officer.

2. **SUBJECT: CONFIRM FISCAL YEAR 2024-25 LEVIES FOR COMMUNITY FACILITIES DISTRICTS AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)**

OVERVIEW

In accordance with County of San Diego (County) Board of Supervisors (Board) Policy I-136, *Comprehensive Goals and Policies for Community Facilities Districts* (CFDs), the County manages eight CFDs throughout the region. In addition, the San Diego County Fire Protection District manages two CFDs. A CFD is established to create a funding mechanism for public facilities and services such as streets, sewer facilities, stormwater facilities, fire protection, parks, and libraries. Through this funding mechanism, these public facilities and services are paid for by property owners within the boundaries of the district since they benefit the most from the services and are typically established as part of the development process for new or infill housing to support the residents of those housing developments.

The method used to calculate CFD levies can be based on a variety of factors, including parcel acreage or land use type (single-family or multi-family). The rate is established in each district's Rate and Method of Apportionment (RMA) as adopted by the Board at the time each CFD is formed. The RMA provides the methodology used to determine the maximum annual special tax allowable for each district. Any changes to an RMA require approval by voters within the CFD's boundaries. CFDs are levied annually on each parcel's property tax bill, reducing the cost to the ratepayer by eliminating the administrative costs that arise from annual billing and payment collection. The annual adoption of a resolution is required to provide for the levies of a special tax for CFDs on the tax rolls.

Today's request is for the County Board of Supervisors and San Diego County Fire Protection District Board of Directors, acting as the Governing Body of the CFDs, to adopt resolutions to authorize the Fiscal Year (FY) 2024-25 levies for eight CFDs: CFD No. 2008-01 (Harmony Grove Village), CFD No. 2013-01 (Horse Creek Ridge Maintenance), CFD No. 2019-02 (Sweetwater Place Maintenance), CFD No. 2019-01 (Meadowood Maintenance), CFD No. 2019-03 (Park Circle Maintenance), CFD No. 2022-01 (Piper Otay Preserve Maintenance), CFD No. 04-1 (located in southeast San Diego county), and CFD No. 09-1 (located in southwest San Diego county). Upon approval, the annual levies will be placed on the tax roll so that the property owners can continue to pay the levy through their property tax bills.

If today's actions are approved, levies will be adopted for eight CFDs. All proposed levies are within approved maximum rates in accordance with the RMAs for each district and would not require voter approval. RMAs are established as part of the CFDs' creation and any amendments to an RMA, such as changes to rates or services provided, require voter approval. If today's proposed actions to levy on the tax bill are not approved, the previously approved FY 2023-24 rates will be levied. There would be no reduction in revenue from not placing the collection of the assessments on the tax roll, but administrative expenses would increase for annual billing and payment collection if the payments are collected separately instead of on the tax roll. If the rates are not increased as proposed, maintenance and bond repayment would be impacted, and available fund balance would be used to mitigate any shortfalls for FY 2024-25.

Board 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's budget 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 rate increases for FY 2024-25 are needed to fund costs for services and that available fund balance is needed for working capital, future services, facility repair, improvements, or replacement, and to ensure compliance with Board Policy B-29.

The following is the summary of proposed levies for FY 2024-25:

Community Facilities District No. 2008-01 (Harmony Grove Village). The Harmony Grove Village subdivision is located within the San Dieguito Community Plan area in Supervisorial District 3. The site is approximately 418 acres and includes 736 residential dwelling units and three public park sites. The proposed maximum annual Special Tax A will increase from \$1,406,387.38 to \$1,433,439.94 for Improvement Area No. 1 and will increase from \$1,178,324.32 to \$1,199,830.92 for Improvement Area No. 2. Special Tax A funds costs related to the construction of public facilities including parks, roads, wastewater, and flood control facilities built by the developer, through a bond series approved by the Board on December 5, 2017 (23) and December 10, 2019 (25). Special Tax B will increase in both Improvement Areas from \$930,510.08 to \$962,820.48 in accordance with the RMA, adopted June 25, 2008 (9). Special Tax B funds CFD administration, operation, and maintenance costs for flood control structures, public park and recreation facilities, street lighting, and emergency response services which are provided by Rancho Santa Fe Fire Protection District. Harmony Grove Village 4th of July Park, Harmony Grove Village Community Park, and Harmony Grove Village Equestrian Park are located within the CFD.

Community Facilities District No. 2013-01 (Horse Creek Ridge Maintenance). The Horse Creek Ridge subdivision is located within the Fallbrook Community Plan area in Supervisorial District 5. The site is approximately 416 acres and approved for 741 single-family and multi-family dwelling units and a public sports park and staging area site. Special Tax A funds costs related to open space, trails, a park, recreational facility maintenance, and CFD administration. Special Tax B funds storm drainage and detention basin facilities maintenance. Special Tax C funds fire protection, suppression, and emergency medical services provided by the North County Fire Protection District. The proposed maximum special tax will increase from \$536,335.38 to \$547,065.44 for Special Tax A, from \$218,847.88 to \$223,221.26 for Special Tax B, and from \$164,795.40 to \$168,090.00 for Special Tax C, all in accordance with the RMA, adopted January 29, 2014 (1). This increase is needed to fund increased costs to operate and maintain a regional sports park complex, staging area and park trails, onsite and offsite open space, fire services, and detention basins within the CFD. Horse Creek Ridge County Park is located within the CFD.

Community Facilities District No. 2019-02 (Sweetwater Place Maintenance). The Sweetwater Place subdivision is located within the Spring Valley Community Plan area in Supervisorial District 4. The site is approximately 18 acres and is approved for 122 single-family and multi-family dwelling units and a two-acre public park. This CFD was established to finance ongoing operations and maintenance of the park within the CFD. The proposed maximum special tax will increase from \$139,753.44 to \$146,897.76 in accordance with the RMA, adopted May 1, 2019 (2). This increase is needed to fund increased costs to operate and maintain the two-acre Sweetwater Place County Park, which is located within the CFD.

Community Facilities District No. 2019-01 (Meadowood Maintenance). The Meadowood subdivision is located within the Fallbrook Community Plan area in Supervisorial District 5. The site is approximately 389 acres and is approved for 844 single-family and multi-family dwelling units and a park. The Meadowood subdivision is still being built out, and the number of parcels increased from 464 to 704 between FY 2023-24 and FY 2024-25. This increase in parcels paying into the CFD has resulted in a larger-than-usual increase in the special tax. The increase in units is anticipated to result in higher usage of the park and subsequently higher operational and maintenance costs. Special Tax A funds costs related to open space, trails, a park, recreational facility maintenance, and CFD administration. Special Tax B funds storm drainage and detention basin facilities maintenance. Special Tax C funds fire protection, suppression, and emergency medical services provided by the North County Fire Protection District. The proposed maximum special tax will increase from \$276,322.82 to \$437,725.80 for Special Tax A, from \$159,216.84 to \$252,218.92 for Special Tax B, and from \$118,424.62 to \$188,848.40 for Special Tax C in accordance with the amended RMA, adopted May 6, 2020 (3). The increases are needed to fund the costs of operating and maintaining a park, park trails, fire services, and stormwater drainage and treatment facilities within the CFD. Willow Grove County Park is the park located within the CFD.

Community Facilities District No. 2019-03 (Park Circle Maintenance). The Park Circle subdivision is located within the Valley Center Community Plan area in Supervisorial District 5. The site is approximately 74 acres and is approved for 322 single-family dwelling units and a 2.6-acre public park. This CFD was established to finance ongoing operations and maintenance of Harvest County Park, the park located within the CFD. The proposed maximum special tax will increase from \$269,407.36 to \$317,617.76 due to FY 2023-24 to FY 2024-25 having an increase from 296 to 332 total parcels to be levied in accordance with the RMA, adopted June 5, 2019 (4). These increases are needed to fund the cost of operations and maintenance of Harvest County Park.

Community Facilities District No. 2022-01 (Piper Otay Preserve Maintenance). The Piper Otay subdivision is located within the East Otay Mesa Business Park Specific Plan in Supervisorial District 1. Special Tax A funds costs related to ongoing operations and maintenance to manage the Piper Otay Preserve. Special Tax B funds costs related to CFD administration. The proposed maximum special tax will increase from \$23,354.47 to \$24,405.43 for Special Tax A and from \$15,788.33 to \$16,104.04 for Special Tax B in accordance with the RMA, adopted April 6, 2022 (6). The increases are needed to fund the cost of operations and maintenance of the preserve within the CFD.

Community Facilities District No. 04-1 (CFD No. 04-1). Located in southeast San Diego County in Supervisorial District 2, CFD No. 04-1 encompasses approximately 4,549 acres of land (868 acres classified as developed property with 47 residential parcels and 2 non-residential parcels, and 3,584 undeveloped acres) within the communities of Lake Morena, Jacumba, Jamul, and Lyons Valley. This CFD was formed to fund fire protection, suppression, and paramedic services, as well as the construction or acquisition of fire stations, fire training facilities, fire dispatch centers, fire communication systems, and fire equipment with a useful life of five years or more. The special tax was established to fund fire protection expenses through the collection of Special Tax A and Special Tax B. The Special Tax A Requirement is applied to all eligible properties as an ongoing, annual assessment. In FY 2024-25, the proposed maximum Special Tax A Requirement will increase from \$20,372.78 to \$21,709.04. Special Tax B is a one-time special tax levied on a property the first year following development and will increase from \$0.00 in FY 2023-24 to \$1726.82 in FY 2024-25 due to 3 parcels being eligible for the one-time assessment. The proposed special tax levies for both Special Tax A and Special Tax B are in accordance with the RMA, adopted January 6, 2004. The increase in Special Tax A is needed to fund fire protection operations, equipment, facilities, and staffing.

Community Facilities District No. 09-1 (CFD No. 09-1). Located in the southwestern portion of San Diego County in Supervisorial District 1, CFD No. 09-1 is between the Otay River Valley to the north, the international border with Mexico to the south, the San Ysidro Mountains to the east, and the City of San Diego to the west, encompassing approximately 3,068 acres of land. The special tax was established by the former Rural Fire Protection District to fund authorized facilities (Temporary Sheriff's Substation, Fire Station, and Permanent Sheriff's Substation) through the issuance of bonds secured by the levy of Special Tax A. The RMA, adopted September 22, 2009, identifies specific expenses that are eligible for funding under the Special Tax A Requirements before and after the issuance of bonds. For example, prior to the issuance of bonds, Special Tax A funds could only be used to pay lease payments for the Temporary Sheriff's Station and administrative expenses. In contrast, the requirements for Special Tax B are not affected by the issuance of bonds and were established to pay for the ongoing cost of operations and maintenance of fire facilities. In FY 2024-25, the collection of Special Tax A remains suspended as the temporary lease for the Sheriff's substation is not currently needed and there are no present plans to proceed with the issuance of bonds. The proposed maximum special tax rate for Special Tax B will increase in accordance with the RMA from \$1,768,989.96 to \$2,133,113.94 in FY 2024-25. The increase is needed to fund the operation and maintenance of fire facilities that serve the approximately 134 parcels within the boundaries of the CFD, 43 of which are currently developed.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Acting as the Board of Directors, San Diego County Fire Protection District:

1. Adopt a Resolution entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF COMMUNITY FACILITIES DISTRICT NO. 04-1 AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2024-25.

2. Adopt a Resolution entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF COMMUNITY FACILITIES DISTRICT NO. 09-1 AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2024-25.

EQUITY IMPACT STATEMENT

Levying special taxes that fund special districts would result in additional community services and resources that improve the health, safety, and economic interests of local communities. Therefore, services provided through the levying charges on the FY 2024-25 tax rolls will have a positive impact on communities throughout the unincorporated areas of the county, including providing fire protection, flood control protection, parks, and paramedic services.

SUSTAINABILITY IMPACT STATEMENT

Today's action to confirm special district assessments supports economic stability, promotes the health and well-being of citizens, and provides equitable access to County services. Timely road maintenance prevents more costly repairs in the future, contributing to economic and infrastructural sustainability. Fire protection, flood control protection, emergency communication, and paramedic services protect the health and well-being of citizens and their properties. County parks provide citizens equitable access to outdoor recreation and nature opportunities. This action will help maintain a strong and resilient community through the continued collection of levies.

FISCAL IMPACT

The proposed special tax levies are included in the Fiscal Year (FY) 2024-25 Operational Plan for the Department of Public Works, Department of Parks and Recreation, and San Diego County Fire Protection District. If approved, the proposed rate increases will result in additional estimated revenue of \$80,869.56 in the Department of Public Works for Community Facilities District (CFD) No. 2008-01 Harmony Grove Village; and a total of \$399,948.27 in the Department of Parks and Recreation for CFD No. 2013-01 Horse Creek Ridge Maintenance (\$18,398.04), CFD No. 2019-02 Sweetwater Place Maintenance (\$7,144.32), CFD No. 2019-01 Meadowood Maintenance (\$324,828.84), CFD No. 2019-03 Park Circle Maintenance (\$48,210.40), and CFD No. 2022-01 Piper Otay Preserve Maintenance (\$1,366.67). If approved, the proposed rates for the San Diego County Fire Protection District will result in estimated additional revenue of \$3,063.08 for CFD No. 04-01 Lake Morena, Jacumba, Jamul, and Lyons Valley, and \$364,123.98 for CFD No. 09-1 East Otay Mesa. If approved, the cumulative proposed rate increases will result in additional estimated total revenue of \$848,004.89 to the County. The funding sources are special tax levies from CFD No. 2008-01, CFD No. 2013-01, CFD No. 2019-02, CFD No. 2019-01, CFD No. 2019-03, CFD No. 2022-01, CFD No. 04-1, and CFD No. 09-1 and are paid by property owners. There will be no change in net General Fund cost and no additional staff years.

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

If the Board of Supervisors does not adopt the resolutions, the proposed assessments cannot be placed on the tax rolls for FY 2024-25. Without the funds generated by the assessments, services for streets, sewer facilities, stormwater facilities, fire protection, parks, and libraries would be reduced unless other funding sources are identified. Without the funds generated by the assessments, bond repayments would not be funded, and the bonds could go into default.

BUSINESS IMPACT STATEMENT

N/A

(RELATES TO BOARD OF SUPERVISORS AGENDA ITEM 06)

ACTION:

ON MOTION of Director Montgomery Steppe, seconded by Director Lawson-Remer, the Board of Directors of the San Diego County Fire Protection District took action as recommended, and adopted the following:

1. Resolution No. 24-084, entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF COMMUNITY FACILITIES DISTRICT NO. 04-1 AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2024-25; and,
2. Resolution No. 24-085, entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ACTING AS THE GOVERNING BODY OF COMMUNITY FACILITIES DISTRICT NO. 09-1 AUTHORIZING THE LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2024-25.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

There being no further business, the Board of Directors of the San Diego County Fire Protection District adjourned at 10:54 a.m.

ANDREW POTTER
Clerk of the Board of Directors of the
San Diego County Fire Protection District

Notes By: Valdivia

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


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Approved by the Board of Directors, on Wednesday, July 17, 2024.



NORA VARGAS
Chair

Attest:



ANDREW POTTER
Clerk of the Board