

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO
SAN DIEGO COUNTY FIRE PROTECTION DISTRICT
REGULAR MEETING
WEDNESDAY, JUNE 28, 2023, 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 9:02 a.m.

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

ABSENT: (District 4 Seat Vacant)

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 13, 2023.

ACTION:

ON MOTION of Director Anderson, seconded by Director Desmond, the Board of Directors of the San Diego County Fire Protection District approved the Statement of Proceedings/Minutes for the meeting of June 13, 2023.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: (District 4 Seat Vacant)

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.	CONFIRM FISCAL YEAR 2023-24 LEVIES FOR COMMUNITY FACILITIES DISTRICTS AND RELATED CEQA EXEMPTION [FUNDING SOURCE: 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 09-1 AND ARE PAID BY PROPERTY OWNERS; ASSESSMENT LEVIES ON PROPERTY OWNERS WITHIN THE IDENTIFIED DISTRICTS] (RELATES TO BOARD OF SUPERVISORS ITEM 02)

2.

NOTICED PUBLIC HEARING:
PUBLIC HEARING TO CONFIRM FISCAL YEAR 2023-24 LEVIES FOR
PERMANENT ROAD DIVISION ZONES, COUNTY SERVICE AREAS AND
ZONES, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ZONES,
STORMWATER MAINTENANCE ZONES, ALLOCATE AND DISTRIBUTE
INTEREST EARNINGS FOR SAN DIEGO COUNTY FIRE PROTECTION
DISTRICT, AND RELATED CEQA EXEMPTION
[FUNDING SOURCE: ASSESSMENT LEVIES AND SPECIAL TAXES ON
PROPERTY OWNERS WITHIN THE IDENTIFIED DISTRICTS; ASSESSMENT
LEVIES AND SPECIAL TAXES ON PROPERTY OWNERS WITHIN THE
IDENTIFIED DISTRICTS]

(RELATES TO FLOOD CONTROL DISTRICT FL01 AND BOARD OF
SUPERVISORS ITEM 05)

1. SUBJECT: CONFIRM FISCAL YEAR 2023-24 LEVIES FOR COMMUNITY FACILITIES DISTRICTS AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)

OVERVIEW

In accordance with Board Policy I-136, Comprehensive Goals and Policies for *Community Facilities Districts*, the County of San Diego manages eight Community Facilities Districts (CFD) 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 those 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 for calculating the levies for CFDs can be based on a variety of factors, including parcel acreage or use type (single-family or multi-family). The rate is established in each district Rate and Method of Apportionment (RMA) as adopted by the Board of Supervisors at the time each CFD is formed. The RMA provides the methodology to determine the maximum annual special tax allowable for each district. Any changes to an RMA require voter approval. CFDs are levied annually on each parcel's 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 of San Diego 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) 2023-24 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 (Lake Morena, Jacumba, Jamul, and Lyons Valley), and CFD No. 09-1 (East Otay Mesa). 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 CFD 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 2022-23 rates will be levied. There would be no reduction in revenue from not placing the collection of the service fees 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 would be impacted, and available fund balance would be used to mitigate any shortfalls for FY 2023-24.

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'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 rates for Fiscal Year 2023-24 are needed to fund costs for services, and available fund balance is needed for working capital, future services, or facility repair, improvements, or replacement, and to ensure compliance with Board Policy B-29.

The following is the summary of proposed levies for FY 2023-24:

Community Facilities District 2008-01 (Harmony Grove Village). The Harmony Grove Village subdivision is located within the San Dieguito Community Plan area in 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 \$1,382,820.86 to \$1,411,563.92 for Improvement Area No. 1 and will increase from \$1,153,504.14 to \$1,178,451.22 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 \$886,821.12 to \$930,510.08 in accordance with the RMA, adopted June 25, 2008 (9). Special Tax B will fund CFD administration, operation and maintenance costs for storm drain structures, public parks, recreation facilities, open space management, street lighting, and emergency response facilities and 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 2013-01 (Horse Creek Ridge Maintenance). The Horse Creek Ridge subdivision is located within the Fallbrook Community Plan area in 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, 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 North County Fire Protection District. The proposed maximum special tax will increase from \$526,000.10 to \$536,335.38 for Special Tax A, from \$214,629.20 to \$218,847.88 for Special Tax B, and from \$161,626.54 to \$164,795.40 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 2019-02 (Sweetwater Place Maintenance). The Sweetwater Place subdivision is located within the Spring Valley Community Plan area in District 4. The site is approximately 18-acres and 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 \$131,842.96 to \$139,753.44 in accordance with the RMA, adopted May 1, 2019 (2). This increase is needed to fund increased costs to operate and maintain a two-acre public park within the CFD. Sweetwater Place County Park is located within the CFD.

Community Facilities District 2019-01 (Meadowood Maintenance). The Meadowood subdivision is located within the Fallbrook Community Plan area in District 5. The site is approximately 389-acres and 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 190 to 217 and the number of units increased from 190 to 464 between FY 2022-23 and FY 2023-24. 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 North County Fire Protection District. The proposed maximum special tax will increase from \$120,656.90 to \$276,322.82 for Special Tax A, from \$69,528.00 to \$159,216.84 for Special Tax B and from \$52,911.60 to \$118,424.62 for Special Tax C in accordance with the amended RMA, adopted May 6, 2020 (3). The increases are needed to fund the cost to operate and maintain a park, park trails, fire services, and stormwater drainage and treatment facilities within the CFD. Willow Grove County Park is located within the CFD.

Community Facilities District 2019-03 (Park Circle Maintenance). The Park Circle subdivision is located within the Valley Center Community Plan area in District 5. The site is approximately 74-acres and 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 the park within the CFD. The proposed maximum special tax will increase from \$202,639.04 to \$269,407.36 due to FY 2022-23 to FY 2023-24 having an increase from 236 to 296 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 a public park within the CFD. Harvest County Park is located within the CFD.

Community Facilities District 2022-01 (Piper Otay Preserve Maintenance). The Piper Otay subdivision is located within the East Otay Mesa Business Park Specific Plan in 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 \$22,348.76 to \$23,354.40 for Special Tax A and from \$15,478.80 to \$15,788.46 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 04-1 (CFD 04-1) Located in southeast San Diego county in District 2, CFD 04-01 and encompasses approximately 4,549 acres of land (851 acres classified as developed property with 41 residential parcels and 3 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 23-24, the proposed maximum Special Tax A Requirement

will increase from \$19,973.00 to \$20,372.78. Special Tax B is a one-time special tax levied on a property the first year following development and will decrease from \$1,456.06 to \$0.00 in FY 23-24 due to no additional parcels that are 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 09-1 (East Otay Mesa) (CFD 09-1) Located in the southwestern portion of San Diego county in District 1, CFD 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, the Special Tax A funds can 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 23-24, 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 current 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 \$1,610,814.82 to \$1,768,989.96. 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, 26 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 2023-24.
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 2023-24.

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. Based on available data from community feedback received at public meetings and daily interactions with residents which indicate residents support continued funding for services through special districts, services provided through the levying charges on the FY 2023-24 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 wellbeing 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 wellbeing 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 special tax levies are included in the Fiscal Year (FY) 2023-24 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 \$97,379.10 in the Department of Public Works for CFD No. 2008-01 Harmony Grove Village; and \$404,584.64 in the Department of Parks and Recreation for CFD No. 2013-01 Horse Creek Ridge Maintenance (\$17,722.82), CFD No. 2019-02 Sweetwater Place Maintenance (\$7,910.48), CFD No. 2019-01 Meadowood Maintenance (\$310,867.78), CFD No. 2019-03 Park Circle Maintenance (\$66,768.32), and CFD 2022-01 Piper Otay Preserve Maintenance (\$1,315.24). If approved, the proposed rates for the San Diego County Fire Protection District will result in estimated additional revenue of \$399.78 for CFD No. 04-01 and \$158,175.14 for CFD 09-1. If approved, the cumulative proposed rate increases will result in additional estimated total revenue of \$660,538.66 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 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*. 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 does not adopt the resolutions, the proposed assessments cannot be placed on the tax rolls for FY 2023-24. 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.

BUSINESS IMPACT STATEMENT

N/A

(RELATES TO BOARD OF SUPERVISORS ITEM 02)

ACTION:

ON MOTION of Director Desmond, seconded by Director Vargas, the Board of Directors of the San Diego County Fire Protection District took action as recommended, on Consent, adopting the following:

Resolution No. 23-101, 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 2023-24; and,

Resolution No. 23-102, entitled: 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 2023-24.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: (District 4 Seat Vacant)

2. **SUBJECT: NOTICED PUBLIC HEARING:
PUBLIC HEARING TO CONFIRM FISCAL YEAR 2023-24 LEVIES FOR PERMANENT ROAD DIVISION ZONES, COUNTY SERVICE AREAS AND ZONES, SAN DIEGO COUNTY FIRE PROTECTION DISTRICT ZONES, STORMWATER MAINTENANCE ZONES, ALLOCATE AND DISTRIBUTE INTEREST EARNINGS FOR SAN DIEGO COUNTY FIRE PROTECTION DISTRICT, AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)**

OVERVIEW

Special districts are created in order to provide new or enhanced local services and infrastructure to specific communities. Special District services are primarily funded by property owners through assessments or special taxes that are levied annually on each parcel's tax bill, reducing the cost to the ratepayer by eliminating the administrative costs that arise from annual billing and payment collection. District boundaries, services, and maximum rates were established by property owners at the time of formation or as a condition of development. The method for calculating the rate paid per parcel is established in the district ordinance adopted at the time of formation and may be based on a variety of factors, commonly 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 approval from the affected property owners. At the time of formation, residents in some districts voted to include cost escalators in their ordinances, which allow the maximum rate to increase 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.

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) manage special districts that provide a wide array of services such as fire protection, flood control protection, private road 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. A list of all districts and proposed rates are included in Attachment I.

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 and individuals. Staff from the County, Flood Control District, and Fire District reviewed budgets for the districts included in today's action to determine if revenues were adequate for planned services in Fiscal Year (FY) 2023-24 or if rates should be adjusted. Staff determined the proposed rates for FY 2023-24 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, and replacements. The proposed rates subject to today's action 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.

Permanent Road Division Zones (County District)

There are 68 Permanent Road Division (PRD) Zones managed by the County Department of Public Works (DPW). Fifty (50) of the 68 PRD Zones levy property owner assessments or special taxes and are included in today's action. The rate 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. Eighteen (18) PRD Zones do not currently levy property owner assessments or special taxes. Six (6) 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 approved cost escalators, and three PRD Zones will have rate increases based on property owner approval. The approved cost escalator for the three PRD Zones is the Los Angeles CCI. The proposed annual rate increases for this upcoming FY are listed below. Without the additional revenue, road and culvert maintenance will be deferred, which will result in future more costly repairs.

1. PRD Zone 6-Pauma Valley is located in the unincorporated community of Pauma Valley (District 5). The proposed rate will increase from \$23 to \$40 per benefit unit based on a property owner-approved rate increase, with the average single-family residence assigned three benefit units, or \$120 annually. The additional revenue will help fund planned pavement and culvert repairs and ongoing road and culvert maintenance.
2. PRD Zone 8-Magee Road is located in the unincorporated community of Pauma Valley (District 5). The proposed rate will increase from \$150 to \$400 per benefit unit based on a property owner-approved rate increase, with the average single-family residence assigned two benefit units, or \$800 annually. The additional revenue will help fund planned pavement repairs and ongoing road and culvert maintenance.
3. PRD Zone 106-Garrison Way is located in the unincorporated community of El Cajon (District 2). The proposed rate will increase from \$110 to \$300 per benefit unit based on a property owner-approved rate increase, with a single-family residence assigned two benefit units, or \$600 annually. The additional revenue will help fund planned pavement repairs and ongoing 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 \$1,508.84 to \$1,586.55 per parcel, based on the voter-approved cost escalator. The increase is due to rising inflation, based on a 5.15% escalation in the Los Angeles CCI for 2022. The additional revenue will help fund planned pavement repairs and ongoing 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 \$1,517.50 to \$1,595.65 per benefit unit based on the property owner-approved cost escalator, with a single-family residence assigned one and one quarter benefit unit, for a total of \$1,994.56 annually. The increase is due to rising inflation, based on a 5.15% escalation in the Los Angeles CCI for 2022. The additional revenue will help fund planned pavement repairs and ongoing 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 \$263.76 to \$277.34 per benefit unit based on a property owner-approved cost escalator, with a single-family residence assigned two benefit units, for a total of \$554.69 annually. The increase is due to rising inflation, based on a 5.15% escalation in the Los Angeles CCI for 2022. The additional revenue will help fund ongoing annual grading of the unpaved roads.

County Services Areas (County District)

There are ten County Services Areas (CSA) 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. These CSAs provide services to 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 ten CSAs that levy assessments because revenues can fully fund planned services. The cost escalator used 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 being proposed, which are based on the San Diego CPI increase of 6.45% for 2022:

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 rate will increase from \$141.75 to \$148.84 per single-family residence. The increase is due to rising inflation, based on a 6.45% escalation in the San Diego CPI for 2022, with a property owner approved maximum cost escalator of 5%. The additional revenue will ensure the delivery of park maintenance services and operations for FY 2023-24.
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 annual special tax will increase from \$34.47 to \$36.69 per single-family residence. The increase is due to rising inflation, based on a 6.45% escalation in the San Diego CPI for 2022. 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 \$105.20 to \$112.00, with the average a single-family residence assigned one benefit unit, for a total of \$112.00 annually. The rate increase is due to rising inflation, based on a 6.45% escalation in the San Diego CPI for 2022. The additional revenue will ensure the continued delivery of annual fire-break services and help 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 \$187.36 to \$199.44 per single-family residence. The rate increase is due to rising inflation, based on a 6.45% escalation in the San Diego CPI for 2022. The additional revenue will ensure the continued delivery of routine landscape maintenance services and help maintain adequate working capital.

San Diego County Fire Protection District (Fire Protection District)

There are eleven service areas in the San Diego County Fire Protection District (SDCFPD) 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. The eleven service areas include the newly added Ramona Special Tax which was transferred from Ramona Municipal Water District to San Diego County Fire on August 1, 2022. A request for the Board to allocate and distribute the interest earnings from the Ramona Special Tax to the SDCFPD special revenue fund is also included in today's action. Rates will remain the same in ten of the eleven service areas that levy assessments or special taxes. One rate increase is being proposed.

1. Fire Service Area-Palomar Mountain provides services within the unincorporated community of Palomar Mountain (District 5). The proposed annual special tax will increase from \$170.50 to \$175.61 per single-family residence. The increase is due to rising inflation, based on a 6.45% escalation in the San Diego CPI for 2022, with a voter-approved maximum cost escalator of 3%. The additional revenue will be used to cover the cost of firefighting personnel and fire protection equipment and apparatus.

Flood Control District Stormwater Maintenance Zones (Flood Control District)

There are three Stormwater Maintenance Zones (SMZ) and one County Service Area (CSA) funded by assessments managed by DPW on behalf of the Flood Control District that provide maintenance of flood control facilities in multiple unincorporated communities. Rates will remain the same in all three SMZs and the one CSA because revenues can fully fund planned services.

Today's request is for the Board to adopt resolutions to confirm assessments and special taxes and authorize levies for 74 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 2023-24. The deadline to place these assessments on the FY 2023-24 tax rolls is August 10, 2023. A request is also included for the Board to authorize the Auditor and Controller to allocate and distribute interest earnings from the Ramona Fire Service Area to the special revenue fund in San Diego County Fire Protection District. These actions are discretionary after consideration of public testimony. 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.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

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

1. 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 2023-24. (Attachment G)
2. Authorize the Auditor and Controller to allocate and distribute the interest earnings to the special revenue fund (Fund 14622) in San Diego County Fire Protection District for the special taxes previously collected within the Ramona Water Protection District for structural fire protection and emergency medical services.

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 for special districts which improve the health, safety, and economic interests of local communities. Levying charges on the Fiscal Year (FY) 2023-24 tax rolls for the special districts included in today's actions will have a direct impact on communities throughout the unincorporated areas of the county. These levies fund services that include fire protection, flood control protection, private road maintenance, landscaping, parks, emergency communication, and paramedic services to residents of approximately 144,000 parcels. Special district revenues also offset the need for the County to fund these services, which allow additional County funds to be allocated towards services in underserved communities.

SUSTAINABILITY IMPACT STATEMENT

Today's action supports the County's Sustainability Goals to protect the health and well-being of residents, support economic sustainability, and provide just and 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 wellbeing of citizens and their properties. County Parks provide citizens equitable access to outdoor recreation and nature, promoting the health and wellbeing of citizens. Today's action will help maintain a strong and resilient community.

FISCAL IMPACT

The proposed assessment revenues are included in Fiscal Year (FY) 2023-24 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 Protection District). The proposed rate increases for eleven (11) special districts will result in increases in revenue from property owner assessments of \$75,698 in total for DPW, \$119,746 in total for County Fire from CSA 17-San Dieguito, \$32,108 for DPR, and \$2,083 in total for the Fire Protection District. There is no proposed change in rates for 62 special districts. The proposed tax revenue interest allocation and distribution will result in the apportionment of interest earnings to the special tax revenue in the Fire Protection District. The funding source is assessment levies and special taxes on property owners within the identified districts. There will be no change in net General Fund cost and no additional staff years.

The proposed assessment levies and special taxes 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*. Accordingly, there is no projected unrecovered cost, and a waiver of Board Policy B-29 is not needed. The funding source is assessment levies and special taxes 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 2023-24. The deadline to place these assessments on the FY 2023-24 tax rolls is August 10, 2023. 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 FLOOD CONTROL DISTRICT FL01 AND BOARD OF SUPERVISORS ITEM 05)

ACTION:

ON MOTION of Director Vargas, seconded by Director Desmond, the Board of Directors of the San Diego County Fire Protection District closed the Hearing and took action as recommended, adopting Resolution No. 23-103, 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 2023-24.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: (District 4 Seat Vacant)

There being no further business, the Board of Directors of the San Diego County Fire Protection District adjourned at 10:12 a.m.

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

Notes By: Perez

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.