

**VALLECITOS WATER
DISTRICT**

**ANNEXATION
PROCEDURE**

INFORMATION PACKET



ANNEXATION FEE SCHEDULE 2024

State Board of Equalization

Less than 1 acre	\$300
1.00-5.99	\$350
6.00-10.99	\$500
11.00-20.99	\$800
21.00-50.99	\$1,200
51.00-100.99	\$1,500
101.00-500.99	\$2,000
501.00-1000.99	\$2,500
1001.00-2000.99	\$3,000
2001.00 and above	\$3,500

Administration Deposit

0-10 acres	\$1,000
10-50 acres	\$2,000
Over 50 acres	\$3,000

Annexation Fee/acre

Water	\$5,183
Sewer	\$11,666

Detachment Fee/acre

Water	\$1,397
Sewer	\$2,588



SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Political Subdivision of the State of California

FEE SCHEDULE

Standard Jurisdictional Changes

Standard jurisdictional changes include (a) annexations, (b) detachments, (c) latent power establishments, and (d) service power divestitures

	LAFCO is Responsible Agency			LAFCO is Lead Agency Plus Consultant Costs		
	Exemption	Initial Study	Impact Report	Exemption	Initial Study	Impact Report
Single Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 6,405.00	\$ 7,045.50	\$ 7,686.00	\$ 6,405.00	\$ 8,326.50	\$ 10,248.00
- Without Full Consent Protest Hearing	\$ 8,326.50	\$ 8,967.00	\$ 9,607.50	\$ 8,326.50	\$ 10,248.00	\$ 12,169.50
Each Additional Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 4,163.25	\$ 4,579.58	\$ 4,995.90	\$ 4,163.25	\$ 5,412.23	\$ 6,661.20
- Without Full Consent Protest Hearing	\$ 5,412.23	\$ 5,828.55	\$ 6,244.88	\$ 5,412.23	\$ 6,661.20	\$ 7,910.18

Fees for all standard jurisdictional changes are fixed and represent reasonable cost estimates for the underlying action(s) based on a number of predetermined staff hours to complete. These fees are non-refundable and – while not typical or expected – may be augmented by one or more deposits when additional time is needed beyond the predetermined staff hour allocation as determined by the LAFCO Executive Officer.

Other Jurisdictional Changes

Special District Formation	Billed for time and material starting with a \$ 9,150 deposit to cover the first 75 hours
Special District Consolidation or Dissolution	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Incorporation	Billed for time and material starting with a \$24,400 deposit to cover first 200 hours

Fees for other boundary changes are at-cost. These fees require an initial and refundable deposit to cover staff time based on the hourly composite rate. Additional deposits may be required as determined by the Executive Officer.

Other Requests and Charges

Outside Service Extensions	
- Exemption	\$ 1,921.50
- Initial Study	\$ 2,113.65
- Impact Report	\$ 2,305.80
Sphere of Influence Amendments	Billed at their corresponding rate for standard boundary changes; applies to expansions, reductions, establishments, and eliminations
Municipal Service Reviews	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Reconsideration of a Commission Determination	\$ 2,600.00
Time Extension to Complete Proceedings	\$ 610.00
General Staff Research	\$ 122.00 per hour; first four hours of any general research project waived
Scheduling a Special Meeting	\$ 3,210.00
Postage, Mail Supplies, Photocopies, Etc.	at cost

Common Third Party Charges

County of San Diego Clerk-Recorder	\$ 50.00
California Department of Fish and Game	
- Filing for a Negative Declaration	\$ 2,280.25
- Filing for a Mitigated Negative Declaration	\$ 2,280.25
- Filing for an Environmental Impact Report	\$ 3,168.00
State Board of Equalization	
- 0.0 to 1.0 acre	\$ 300.00
- 1.0 to 5.0 acres	\$ 350.00
- 6.0 to 10.0 acres	\$ 500.00
- 11.0 to 20.0 acres	\$ 800.00
- 21.0 to 50.0 acres	\$ 1,200.00
- 51.0 to 100.0 acres	\$ 1,500.00
- 100.0 acres or more	\$ 2,000.00

Implementing Policies

- 1 Proposals and requests subject to this fee schedule will be deemed incomplete until the appropriate fee has been received by LAFCO.
- 2 All additional staff time required to process proposals or requests subject to this fee schedule beyond the coverage of the initial fixed fee or collected at-cost deposit will be billed at a composite hourly rate of \$122.00.
- 3 Applicants with proposals or requests subject to this fee schedule requiring consultants to prepare environmental or other technical documents will be responsible for all direct costs therein and will be required to provide a dedicated deposit as determined by the Executive Officer.
- 4 The Executive Officer may stop work on any proposal or request subject to this fee schedule until receipt of a requested fee or deposit.
- 5 The Commission may reduce or waive fees if a financial hardship is demonstrated and/or if the proposal or request is in response to a LAFCO condition or recommendation. Requests must be made in writing. Pre authorized reductions follow.
 - a) Jurisdictional changes that include a qualifying city annexation of an entire "island" under Government Code 56375.3 shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers require Commission approval.
 - b) Jurisdictional changes that include a qualifying city annexation of a disadvantaged unincorporated community under Government Code 56375(a)(8) shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers would require Commission approval.
 - c) Jurisdictional changes initiated in response to an existing or pending septic or well failure shall receive a 75% fee reduction relative to the charges normally incurred under the fee schedule. Qualifying proposals must have 100% written consent of all affected landowners and confirmation from the County Environmental Health Department verifying an existing or pending failure exists. Additional reductions or waivers would require Commission approval.

VALLECITOS WATER DISTRICT DEFINITION OF ANNEXATION'S FOR WATER AND / OR SEWER SERVICE

There are various types of annexations within the Vallecitos Water District. Some are handled in house and do not require approval by any other agency. Others require annexation/detachment from another agency and always require the Local Agency Formation Commission approval (LAFCO). Listed below are the different types of annexations.

- 1) Water & Sewer - Property Owner/Agent is requesting annexation into the Vallecitos Water District for both water and sewer service. Property owners requesting annexation for sewer will be required to also annex into VWD's water boundary per Ordinance No. 200. This will require detachment from another agency and potentially a Sphere of Influence Amendment and approval by LAFCO.
- 2) Water - Property Owner/Agent is requesting annexation into the Vallecitos Water District for water service only. Sewer is usually not available or the property is served by a septic system when a water annexation is requested. This will require detachment and potentially a Sphere of Influence Amendment and approval by LAFCO.
- 3) Sewer - Property Owner/Agent is requesting sewer annexation. The property is currently within the boundaries of the Vallecitos Water District but not within the sewer service boundary. This is an inter-District annexation (in-house) and does not require detachment from any other agency or approval by LAFCO.

VALLECITOS WATER DISTRICT ANNEXATION PROCEDURE FOR WATER AND / OR SEWER SERVICE

- 1) The Owner of the property is required to request annexation on the attached Letter of Request for Annexation along with an Administrative Deposit per **Ordinance 200** Section 4.1, and the **“Annexation Fee Schedule”** updated annually. For those annexations that are more complex in nature, a letter explaining the annexation along with plat maps may be required in addition to the letter of request at the time the annexation is submitted for approval. After Board approval of the annexation, annexation fees will be calculated and a letter will be mailed to the owner stating all terms and conditions of the annexation. **The District will NOT annex a portion of a property. When requesting annexation, owner will be required to annex the entire parcel including any open space, mitigation property, etc.**
- 2) All annexations requests must be signed by the owner(s) of the property. Any requests by a representative of the owner must include a letter from the owner stating that the representative is acting on their behalf.
- 3) All letters of request will be reviewed by staff and forwarded to Vallecitos Board of Directors for consideration. Depending on the complexity of the annexation, additional staff time may be required for review. Owner/applicant should allow ample time to process the request. The District's Board of Directors meets every 1st and 3rd Wednesday of the month at 5:00 P.M. (holiday schedule subject to changes).
- 4) Those persons with annexations requiring the Local Agency Formation Commission (LAFCO) approval must contact LAFCO to initiate the annexation procedure. LAFCO will also require the applicant to complete an application. The applicant should complete as much of the application as possible except those areas that pertain to water or sewer and forward the entire application to the Vallecitos Water District Engineering Department for completion. Applications will only be completed by District staff after all terms and conditions are established by formal action of the Board of Directors.
- 5) **LAFCO** will require fees (fee schedule attached) in addition to the District's annexation fees, **“Annexation Fee Schedule”** (attached). The applicant is advised to contact LAFCO directly for the current fee schedule. San Diego LAFCO, 9335 Hazard Way, Suite #200, San Diego, CA 92123, Phone: (858) 614-7755 and Web: SDLAFCO.org.
- 6) The detaching agency may also require detachment fees and should be contacted by the applicant for terms and conditions of detachment. Vallecitos Water District fees are outlined in **Ordinance 200** (attached) and the **“Annexation Fee Schedule”** (attached) updated annually.
- 7) In-house annexations may take up to 2 months to complete. Those requiring LAFCO approval may take approximately 3 to 6 months or longer.
- 8) Property owners requesting annexation may be subject to additional costs (in addition to annexation fees) such as connection/capacity fees, construction of sewer or water mains, and installation of water services or sewer laterals. Any additional costs incurred will be the responsibility of the property owner.

ORDINANCE NO. 200

ORDINANCE OF THE VALLECITOS WATER DISTRICT
ESTABLISHING POLICIES, CONDITIONS AND FEES IN CONNECTION WITH
ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT AND
TO OR FROM THE SEWER IMPROVEMENT DISTRICT
AND RESCINDING ORDINANCE NOS. 153 & 196

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT AS FOLLOWS:

SECTION 1: The Board of Directors finds and determines that the following facts are true and correct:

SECTION 1.1: From time to time Property may be annexed to or detached from the Vallecitos Water District (District) and Sewer Improvement District(s).

SECTION 1.2: The District desires to update its established policy, rules, and regulations for the orderly annexation of or detachment of lands from the District's service boundaries.

SECTION 1.3: The District wishes to ensure that additions to its service area are properly accounted for, and that expansion of service to or facilities for service to added territory shall not cause a hardship to existing customers of the District.

SECTION 1.4: The District wishes to establish and set fees for annexation and detachment of lands that are reasonable in scope, and non-discriminatory in application.

SECTION 2: POLICIES AND CONDITIONS

SECTION 2.1: An annexation to or detachment from the District or Sewer Improvement District may be initiated by written petition from a landowner or landowner's representative, or by the Board.

SECTION 2.2: Annexations and detachments shall comply with the California Environmental Quality Act (CEQA), applicable law (Cortese/Knox Act) and District guidelines and procedures.

SECTION 2.3: For annexations to the District, the Board shall require, as a condition of annexation, that the land be annexed concurrently to the San Diego County Water Authority and to the Metropolitan Water District of Southern California, and that the annexation shall be subject to all conditions established by said agencies; provided, however, that this condition shall not be required for an agency which the land is already a part.

SECTION 2.4: For annexations into a Sewer Improvement District, the Board shall require, as a condition of annexation, that the property also be annexed into the District, if it is not currently within the District, and that the annexation shall be subject to all conditions established by the Board.

SECTION 2.5: For Annexations to Sewer Improvement District "A", where water service is provided by another agency, the Board shall require, as a condition of annexation, that the property be concurrently annexed into the District, if not currently within the District, and that the annexation shall be subject to all conditions established by the Board. Upon completion of the annexation, the property shall be subject to taxation for the purposes of the Sewer Improvement District as identified in Section 3 (3.2b) of this ordinance. However, the property shall be exempt from taxation associated with the District identified in Section 3 (3.1b).

SECTION 2.6: The applicant shall provide to the District's staff, at the time the letter of request for annexation or detachment is submitted, all plat maps, legal description(s) and any other documents that the District's staff deems pertinent or necessary in connection with the annexation or detachment.

SECTION 2.7: All annexations or detachments shall be subject to the condition that the deposit for administrative expenses provided for in Section 4 of this Ordinance shall be paid at the time the request for consideration is made.

SECTION 2.8: All annexations or detachments shall also include such terms and conditions as the Board may deem appropriate in their sole discretion, as well as those that may otherwise be required by law.

SECTION 2.9: In the case of annexation to the District, the Board shall require as a condition of annexation that all water distribution and storage facilities, required for the delivery of water to the annexed land shall be provided by the proponent without cost to the District, and that the District shall be under no obligation to provide any improvements or service if the facilities are not completed and accepted.

SECTION 2.10: In the case of annexation to the Sewer Improvement District, the Board shall require as a condition to annexation that all sewerage facilities required for the collection, conveyance, treatment and disposal of sewer from the annexed land to the District shall be provided by the proponent without cost to the District, and that the District shall be under no obligation to provide any improvements or service if the facilities are not completed and accepted.

SECTION 2.11: All annexations shall be subject to the condition that the land affected by the annexation shall be subject to taxation, by the payment of the annexation fee provided for in Section 4 of this Ordinance, as if the land had always been a part of the District and Improvement District to which it is being annexed.

SECTION 2.12: All annexations shall be subject to the condition that the annexed land shall be subject to the applicable ordinances, resolutions and other rules and regulations of the District in effect, amended or adopted on, and after the date of final Board approval.

SECTION 2.13: For all annexations and detachments, any and all non-contiguous open space easements and dedications, developable lands, vacant lands, easements and road rights of way within the proposed development, parcel map or subdivision map shall be included in the annexation or detachment of lands to or from

the District or Sewer Improvement District. This may include separate parcels of land that are within the limits of the proposed development or subdivision map. Contiguous open space dedications, or parts thereof, may, in the discretion of the General Manager be excluded from annexation to the District or Sewer Service area, provided the land: (1) does not create islands of dedicated open spaces within the project area or District boundaries and (2) will not require water or sewer service from the District.

SECTION 2.14: District will not defend any action contesting an annexation or detachment, and shall leave such defense to the owner of the land affected by the annexation or detachment.

SECTION 2.15: Unless otherwise provided by law, an annexation or detachment shall terminate on the first to occur of:

- (a) Date of delivery to the District of applicants (or petitioner's) written notice of termination.
- (b) Board action terminating the annexation or detachment when the Board determines, in its sole discretion, that good cause exists for such termination, or the approval period identified in the conditions of annexation or detachment has expired.

SECTION 3: ANNEXATION AND DETACHMENT DETERMINATIONS

SECTION 3.1: The following determinations by the Board shall be required in the case of annexation to District:

- (a) That the land proposed to be annexed will be benefited thereby, and that the District will also be benefited and will not be injured.
- (b) That after the annexation, the taxable property in the annexed area shall be subject to taxation for the purposes of the District, including obligations of the District authorized and outstanding at the time of the annexation and any future obligations.

SECTION 3.2: The following determinations by the Board shall be required in the case of detachment from the District:

- (a) That the land proposed to be detached will be disassociated from its benefits, and that the District will not be impacted and will not be injured.
- (b) That after the detachment, the taxable property in the detached area shall not be subject to taxation for the purposes of the District.

- (c) That upon detachment, the property owner waives and relinquishes all rights, claims and entitlements to capacity within any of the District's water facilities

SECTION 3.3: The following determinations by the Board shall be required in the case of annexation to the Sewer Improvement District:

- (a) That the land proposed to be annexed will be benefited thereby, and that the Sewer Improvement District will also be benefited and will not be injured.
- (b) That after the annexation, the taxable property in the annexed area shall be subject to taxation thereof for the purposes of the Sewer Improvement District, including obligations of the Sewer Improvement District authorized and outstanding at the time of the annexation and any future obligations.

SECTION 3.4: The following determinations by the Board shall be required in the case of detachment from the Sewer Improvement District:

- (a) That the land proposed to be detached will be disassociated from its benefits, and that the affected Sewer Improvement District will not be impacted thereby and will not be injured.
- (b) That after the detachment, the taxable property in the detached area shall not be subject to taxation for the purposes of the Sewer Improvement District.
- (c) That upon detachment, the property owner waives and relinquishes all rights, claims and entitlements to capacity within any of the District's wastewater facilities.

SECTION 4: ADMINISTRATIVE, ANNEXATION AND DETACHMENT CHARGES

SECTION 4.1: Deposit for Administrative Expenses. It is the policy of the Board to recover all expenses incurred by the District in connection with annexations or detachments. A deposit for administrative expenses is required to be paid to the District at the time of application or petition for annexation or detachment of property based upon the following:

0 -10 acres of land total:	\$1,000.00 deposit
10 – 50 acres of land total:	\$2,000.00 deposit
Over 50 acres total:	\$3,000.00 deposit

The deposit will be used by the District to recover all costs of District's staff, legal counsel, engineer, and other professional services required to process the annexation or detachment, including administrative overhead costs. Additional deposits, of an

amount determined by the District, may be required when the initial deposit is drawn down. Any fees due the District shall be paid in full prior to final Board action. Any deposit amount received in excess of the District's total expenses incurred in connection with the annexation or detachment, shall be refunded by the District within thirty (30) days after the conclusion of the annexation or detachment, whether by final approval or by termination. Deposit amounts may be adjusted from time to time at the sole discretion of the District General Manager.

SECTION 4.2: Annexation fee. It is the policy of the Board to require that a landowner whose land is being annexed pay a fair and equitable share of the value of the District or Sewer Improvement District to which the land is being annexed.

The annexation fee per acre for Water District annexations equals the total net assets of the District's water segment as noted in the most recent audited Annual Financial Report, divided by total acres within the Water District boundaries as of the last day of the fiscal year of the most recent audited Financial Report. As of the date of this Ordinance, the most recent audited Annual Financial Report accepted by the Board is for the Year Ended June 30, 2007, and the water annexation fee is \$5,010 per acre annexed, calculated as follows:

Total net assets – water segment	\$136,301,685
Divided by	-----
Total District acres	27,208

The annexation fee per acre for Sewer Improvement District annexations equals the total net assets of the District's sewer segment as noted in the most recent audited Annual Financial Report, divided by total acres within the Sewer Improvement District boundaries as of the last day of the fiscal year of the most recent audited Financial Report. As of the date of this Ordinance, the most recent audited Annual Financial Report accepted by the Board is for the Year Ended June 30, 2007, and the sewer annexation fee is \$6,809 per acre annexed, calculated as follows:

Total net assets – sewer segment	\$99,128,440
Divided by	-----
Total Sewer Improvement District acres	14,558

Changes in annexation fees will be effective the date the Board accepts the audited Annual Financial Report. Partial acres shall be pro-rated as a percentage of a whole acre.

SECTION 4.3: Detachment fee. It is the policy of the Board to require that a landowner whose land is being detached to pay a pro-rated and equitable share of the non-current bonded indebtedness, including outstanding Certificates of Participation, or any outstanding assessments which have been identified for the land.

The detachment fee per acre for Water District detachments equals the total non-current bonds, certificates of participation, and assessments outstanding of the District's water segment as noted in the most recent audited Annual Financial Report, divided by total acres within the Water District boundaries as of the last day of the fiscal year of the

most recent audited Financial Report. As of the date of this Ordinance, the most recent audited Annual Financial Report accepted by the Board is for the year ended June 30, 2007, and the water detachment fee is \$1,529 per acre detached, calculated as follows:

Total non-current liabilities – water	\$41,603,946
Divided by	-----
Total District acres	27,208

The detachment fee per acre for Sewer Improvement District detachments equals the total bonds, certificates of participation, and assessments outstanding of the District's non-current sewer segment as noted in the most recent audited Annual Financial Report, divided by total acres within the Water District boundaries as of the last day of the fiscal year of the most recent audited Financial Report. As of the date of this Ordinance, the most recent audited Annual Financial Report accepted by the Board is for the year ended June 30, 2007, and the sewer detachment fee is \$1,531 per acre detached, calculated as follows:

Total non-current sewer liabilities	\$22,288,420
Divided by	-----
Total Sewer Improvement District acres	14,558

Changes in detachment fees will be effective the date the Board accepts the audited Annual Financial Report. Partial acres shall be pro-rated as a percentage of a whole acre.

SECTION 5: TERMS AND CONDITIONS

SECTION 5.1: Severability. The Board of Directors hereby declares that should any section, paragraph, sentence, or word of this Ordinance be declared for any reason to be invalid, it is the intent of the Board that it would have passed all other portions of this Ordinance independent of the elimination here from of any such portions as may be declared invalid.

SECTION 5.2: Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Ordinance, venue shall lie in the Federal or State courts in or nearest to the North County Judicial District, County of San Diego, and State of California.

SECTION 5.3: Repeal of conflicting Ordinances and Resolutions. All former Ordinances and Resolutions and parts thereof conflicting or inconsistent with the provisions of this Ordinance are hereby repealed.

SECTION 5.4: Effective date. This Ordinance shall take effect and be in force and effect on March 5, 2008.

SECTION 5.5: This Ordinance shall be published once in a newspaper of general circulation within the District within ten days of its adoption.

THIS ORDINANCE PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of the Vallecitos Water District this 3rd day of August, 2016, by the following roll call vote:

AYES: ELITHARP, EVANS, HERNANDEZ, MARTIN, SANNELLA
NOES:
ABSTAIN:
ABSENT:



Michael A. Sannella, President
Board of Directors
Vallecitos Water District

Attest:



Tom Scaglione, Secretary
Board of Directors
Vallecitos Water District