

Proposal to Prepare

City of Sonoma Municipal Service Review



for
Sonoma Local Agency
Formation Commission



PLANWEST
PARTNERS, INC.

1125 16th Street, Suite 200
Arcata, CA 95521
(707) 825-8260

To: Mark Bramfitt, Sonoma LAFCo Executive Officer

RE: City of Sonoma Municipal Service Review

Mr. Bramfitt:

Planwest Partners is pleased to submit our team proposal to prepare the City of Sonoma Municipal Service Review for Sonoma LAFCo. Municipal services reviews (MSRs) provide an opportunity to highlight successful programs and services, evaluate demand and capacity to provide services, and consider opportunities to improve efficiencies and service delivery. The Planwest team is dedicated to working with Sonoma LAFCo and Sonoma City staff to evaluate the provision of municipal services and work collaboratively with other service providers as needed (i.e., wastewater and fire and emergency response) to document shared services.

The Planwest team offers experience working with cities and special districts throughout California on MSRs and general city planning services. Planwest has, most recently, prepared MSRs for the cities of Poway, San Rafael, Novato, Fortuna, Arcata, Rio Dell and Crescent City. The City of Poway Draft MSR prepared for San Diego LAFCo is included in this proposal as our sample. The San Rafael and Novato MSRs completed for Marin LAFCo were regional in scope, including both cities and special districts. These recent efforts have provided us with an in-depth understanding of government structures, financing, and service delivery models throughout California.

In addition to our team's considerable municipal and financial planning experience, we have considerable Cortese-Knox-Hertzberg Local Government Reorganization Act knowledge as it relates to LAFCo policy and procedural requirements. Planwest provides staffing services to four different LAFCos including Humboldt, Shasta, Del Norte, and Trinity, and were recently selected by Mendocino LAFCo to prepare the City of Ukiah MSR and SOI Update. Our considerable staffing and MSR preparation experience provides us with the knowledge and understanding of what LAFCos look for in MSR and SOI Updates. Additionally, at the start of 2021, fellow Partner Vanessa Blodgett and I became majority owners of Planwest Partners qualifying the firm as a Woman Business Enterprise.

We understand that the City of Sonoma is getting ready to prepare its 6th Cycle Housing Element and will be updating its Urban Water Management Plan. There is also a pending annexation. City services demand as it relates to additional housing, updated water management planning, and expanded territory will be documented in the Municipal Services Review.

Our team looks forward to discussing our proposal and scope of work in more detail.

Sincerely,



Colette Santsche AICP, Senior Planner and Partner
Planwest Partners Inc.

707.825.8260

colettem@planwestpartners.com

1125 16th Street, Suite 200 Arcata, CA 95521

Table of Contents

I. CONTRACTOR STATEMENT	1
II. PROJECT TEAM	2
III. SUB-CONSULTANTS	5
IV. RELATED EXPERIENCE	5
V. PROJECT APPROACH.....	7
APPROACH.....	7
TASK 1 –SETTING & AGENCY PROFILE	8
TASK 2 – SERVICE EVALUATION, DETERMINATION AND ADMINISTRATIVE DRAFT	8
TASK 3 – DRAFT REPORT AND PUBLIC REVIEW	10
TASK 4 – FINAL REPORT AND ADOPTION.....	11
VI. CONFLICTS OF INTEREST	11
VII. SONOMA LAFCO SUPPORT	11
VIII. PROJECT SCHEDULE	12
IX. AVAILABILITY.....	12
X. PROJECT COST	12
XI. EXAMPLE MSR.....	13

Attachments

Attachment A – Staff Resumes

Attachment B – City of Poway MSR

I. CONTRACTOR STATEMENT - PLANWEST PARTNERS INC.

Planwest Partners Inc. is a community planning consulting firm serving California communities since 1997. We specialize in LAFCo staffing and support services and have prepared Municipal Service Reviews (MSR) and Sphere of Influence (SOI) updates for Humboldt, Shasta, Del Norte, Butte, Trinity, Sonoma, Mendocino, Solano, Marin and San Diego LAFCos. Through our contract LAFCo work and regular attendance at both CALAFCO Conferences and Staff Workshops, we remain abreast of current Cortese-Knox-Hertzberg Act regulations and LAFCo policies. Planwest also has more than 24 years of combined Executive Officer experience. Currently, we provide contract staffing services to Humboldt, Del Norte, Shasta, and Trinity LAFCos, and previously to Mendocino LAFCo. We are familiar with the policy and procedural requirements of MSR and SOI updates as they relate to the efficient delivery of services, including:

- **Management level understanding of how water services are financed and delivered.**

For each MSR prepared, budgets are analyzed to determine how municipal programs and services are financed and delivered. In addition to budget review, rates and capital improvement plans are analyzed to see whether there are sufficient revenues for services delivered and a plan for replacing infrastructure and equipment in a timely manner. We are also familiar with different grant and loan programs used to fund water infrastructure updates including Proposition 1 and former Davis-Grunsky loans.

We understand the City of Sonoma is in the process of updating their Urban Water Management Plan (UWMP) last updated in 2015. Planwest staff will work with the City Public Works Director/City Engineer and staff to integrate UWMP provisions into the Water Services Section of the City MSR. We will also incorporate findings from the City's Water Master Plan Update from 2018.

- **CKH Act Familiarity, LAFCo role and functions, and MSR process.**

The Principal and Project Manager are both current LAFCo Executive Officers. Planwest uses an interactive process with multiple input opportunities as described in our approach. One of the key tasks in services reviews is evaluating the status of, and opportunities for, shared services and facilities. Planwest will review shared services, interagency agreements, or any formal Joint Powers Agreements related to provision of municipal services (i.e., agreements, contract between public agencies, public/private partnerships). This review will consider existing services agreements between agencies and opportunities for the future.

- **Experience in governmental organization analysis, including performance measures.**

The Planwest team offers detailed experience assessing city infrastructure, including water distribution systems, wastewater systems, and other improvements. Our project team is experienced in conducting independent city research. This includes accessing City Council records, reviewing financial statements and budgets, reviewing joint power agreements, collecting media information, accessing tax rate area maps, and more. This independent research allows us to document city development over time in addition to objectively reviewing the current status and capabilities of the city.

- **Ability to facilitate and synthesize input from a variety of sources.**

In our special district and city MSRs, we typically interact with agency staff, community groups involved in services, district boards, city councils, commissions, and working groups on studies.

Other service providers often are stakeholders that need consideration. For example, when preparing the City of Blue Lake MSR/SOI update, we worked with city staff to conduct a City Council special study session to identify and discuss SOI options for city areas of interest.

- **Ability to interpret varied financial and planning documents.**
The team has experience in analyzing budgets, capital improvement programs, and annual audits, including working with finance teams on bond offerings, rate studies and other financial, budget, and planning documents. Our Principal, Project Manager and Analyst are certified planners (American Institute of Certified Planners) with experience reviewing and preparing planning documents such as general plans, economic development plans, and area plans.
- **Experience in identifying and fostering multi-agency cooperation.**
Our team has worked on several task force and working groups with regional agencies. For instance, as part of a recent fire services annexation and consolidation process in Humboldt County, the Project Manager and Analyst, serving as LAFCo staff, worked with multiple agencies to facilitate tax exchange agreements, new shared services agreements, and expand operational and funding partnerships. During MSR and SOI updates, we typically contact service providers, such as the Sonoma County Wastewater Authority, to obtain information about existing agreements and services. In addition, we understand that the City of Sonoma and Valley of the Moon Fire Protection District have a Joint Powers Agreement, the "Sonoma Valley Fire & Rescue Authority". We would work closely with the City and its partners to collect and document service information.
- **Ability to conduct public input processes and experience in handling the presentation and dissemination of public information for review and comment.**
Our Principal and Project Manager are trained facilitators. Providing LAFCo staffing services for 14 years has given us considerable experience presenting public information for review and comment to LAFCo member organizations and LAFCo Commissions. Planwest offers a high level of experience in broad based public review and participation in keeping with client goals and are available to make public presentations as needed, in conformance with safety protocols.
- **Ability to work cooperatively with multi-agency interests.**
At Planwest, we frequently work with city, county, and agency staff on projects with diverse stakeholder groups. We understand there are often competing goals between agencies, agricultural interests, conservation groups, and developers. Our team seeks to understand these varying goals and work towards solutions that benefit the community as a whole. As mentioned previously, we also have experience working with wastewater and fire/emergency response providers and will work cooperatively with them to represent multi-agency services in the MSR.

II. PROJECT TEAM

Our proposed team includes Principal Planner George Williamson AICP, Project Manager Colette Santsche AICP, GIS Analyst Jason Barnes, and Associate Planner Krystle Heaney AICP.

Staff planners and spatial analysts have prepared MSRs for ten different LAFCos. Planwest is involved in overseeing LAFCo's planning and regulatory activities and works closely with the Commission, member agencies, and the public on an on-going basis. We have included qualifications of our core project team below, resumes are included in Appendix A. The following section describes the roles and general duties of each staff person.

George Williamson, AICP
Principal Planner

George Williamson, Principal Planner and majority owner of Planwest Partners Inc., has over 40 years of experience working as a planner in California, Oregon, Washington, and Arizona. Mr. Williamson has been providing contract planning and environmental services on the California North Coast since 1997 and is currently the Executive Officer for Shasta and Del Norte LAFCOs. He has provided services to the Humboldt Bay Harbor District, Crescent City Harbor District, and the City of Point Arena. Since moving to the North Coast, he has been involved in community planning, environmental compliance, and economic development activities. His community, land use and transportation planning experience offer a broad perspective when engaging organizations, agencies, and stakeholders in developing investment, capacity, and implementation strategies. He has both principal and project management experience, with community and economic development expertise. His work history includes preparing the El Medio Fire Protection District MSR and SOI Update for Butte LAFCo, and the San Rafael and Novato Regional MSRs for Marin LAFCo.

George Williamson, Principal Planner

EDUCATION

San Diego State University, CA
 Master of City Planning, 1988

Portland State University
 B.S., Social Science w/ Urban Studies
 Certificate, 1976

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners,
 1983
 American Planning Association Life
 Member, 1981
 Arcata Energy Committee Chairperson,
 2014-current
 CALAFCO Outstanding LAFCo Professional
 for 2018

Colette Santsche, AICP
Project Manager

Colette Santsche is a Senior Planner and Partner at Planwest Partners with over 12 years of experience in community, environmental and services planning. Ms. Santsche will serve as the overall Project Manager for the Sonoma MSR and will coordinate with LAFCo staff and City representatives. Since 2011, she has served as Humboldt LAFCo's administrator and analyst, and now serves as executive officer for both Humboldt and Trinity LAFCOs. During this time she has processed over 30 boundary change applications, prepared a range of agency and service-specific MSR/SOI updates, and provides ongoing technical assistance to member agencies. More recently she has overseen the completion of regional MSRs for fire related districts, the formation of several community services districts, processed consolidations and complex special district reorganizations, and prepared a range of city and special district MSR and SOI updates. She works closely and effectively with elected officials and public agency staff.

Colette Santsche, Senior Planner/ Partner

EDUCATION

Humboldt State University
 B.S., Natural Resources Planning and
 Interpretation, 2006

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners
 (AICP), 2018

 HSU Leading Organizational and Community
 Change Courses, 2017

 Humboldt Area Foundation, Cascadia
 Leadership Program, 2012

 National Charrette Institute, Charrette
 System Certificate, 2011

Jason Barnes**GIS Analyst**

Jason Barnes will serve as the team GIS analyst and will be an integral part of preparing the MSR including making detailed maps and diagrams to provide information to the Commission. Jason has over 10 years of experience working as an analyst, technician, cartographer, programmer, and university lecturer in the GIS field. His art background and broad technical experience lends well to GIS and cartographic visualization and communication. He has both principal and project management experience on a wide range of projects from socio-spatial, transportation, interactive mapping, and large area climate projects. He has been involved in activities involving many local consulting, non-profit, and federal agencies. He is currently on the board of directors for the Bigfoot Trail Alliance and is in the process of receiving his GIS Professional (GISP) certification through the GIS Certification Institute.

*Jason Barnes, GIS Analyst***EDUCATION**

Humboldt State University
M.S., GIS, 2012

Northern Michigan University
B.F.A., Photography, 2002

TRAINING/PROFESSIONAL AFFILIATIONS

Database Design Course, 2018

Bigfoot Trail Alliance Secretary, 2016-Present

ESRI Training Courses Member, ASPRS
2011 -Present

Krystle Heaney, AICP**Associate Planner**

Krystle Heaney has seven years of experience working with local, regional, and state agencies on project coordination and regulatory compliance. She had key roles in the San Rafael and Novato Regional MSRs prepared for Marin LAFCo and has conducted several MSR/SOI updates for Humboldt and Shasta LAFCOs including a regional water services MSRs and city MSRs. Additional MSR experience includes Sonoma, San Diego, and most recently Contra Costa LAFCOs. She has also attended workshops on MSR preparations and provides analyst and clerk services for Humboldt LAFCo which provides her with in depth knowledge of LAFCo policies and the Cortese-Knox-Hertzberg Act. Ms. Heaney's background in geography provides her with a system view of projects that allows for consideration of all project components and needs. She has proven facilitation skills on large controversial projects and can effectively communicate with regulatory staff as well as the public. Ms. Heaney is also well versed in CEQA regulations and has experience drafting Exemptions, Initial Studies, Mitigated Declarations, and Environmental Impact Reports. Most recently she has worked on an IS/MND for citywide sewer replacement in the city of Ferndale, assisted with support documentation for the City of Arcata Focused EIR for a community health center, and revised a Program EIR for the Samoa Town Master Plan.

*Krystle Heaney, AICP, Associate Planner***EDUCATION**

California State University, Sacramento
B.A. – Physical Geography, 2013

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners,
November 2020 to Present

Member - American Planning Association,
2019 to Present

Member/President – Toastmasters
International, March 2020 – Present

AEP Intermediate CEQA Workshop - 2021
AEP Advanced CEQA Workshop – 2020

CALAFCOU: Deep Dive into MSRs
July 2019

III. SUB-CONSULTANTS

No subconsultants are proposed as part of the Planwest team.

IV. RELATED EXPERIENCE

Planwest conducts several MSRs every year for multiple LAFCOs throughout the state. Below are some examples of our work over the last three years.

SAN DIEGO LAFCO MSR PREPARATION

City of Poway MSR/SOI Update

Planwest, working with San Diego LAFCo staff, prepared the City of Poway MSR and SOI Update in 2020-21. The City of Poway provides water treatment and distribution, wastewater collection and treatment, fire protection and emergency medical service, street and sidewalk maintenance, storm water and flood control, parks and recreation services, and community planning within its jurisdictional boundaries. The City does not provide water service to any adjacent unincorporated communities but does contract with nearby City of Escondido and City of San Diego to treat its wastewater. The City covers approximately 39.1 square miles (25,024 acres) and is located in northeast San Diego County. The SOI is larger than City boundaries and includes 2,114 acres of non-jurisdictional land. As a sample of our work, the City of Poway MSR/SOI update is included as an attachment to our proposal.

Contact: Keene Simonds, San Diego LAFCo Executive Officer
 Address: 9335 Hazard Way, Suite 200 San Diego, CA 92123
 Phone: (858) 614-7755
 Email: Keene.simonds@sdcounty.ca.gov
 Dates: 2020-21



HUMBOLDT LAFCO MSR PREPARATION

City of Fortuna MSR/SOI Update

As Humboldt LAFCo staff, Planwest prepared the 2021 City of Fortuna MSR/SOI Update. Fortuna is a rural city located on the banks of the Eel River with a population of approximately 12,000. The City offers a range of municipal services including water, wastewater, street maintenance, police, and parks and recreation. Planwest worked closely with City staff to accurately document the current state of city services including recent impacts experienced from the Covid-19 pandemic such as fluctuating income, budget concerns, and changes to recreation opportunities. Most notably the MSR discussed the City's planned relocation of wastewater dispersal fields, updates on planned police department renovations, and traffic concerns in the southern portion of the City. In addition to standard services, Planwest also included a discussion of emergency preparedness and a tribal land acknowledgement to honor the area's original inhabitants. (https://humboldtlafo.org/wp-content/uploads/Fortuna-MSR-Adopted_1-20-21.pdf)



Contact: Liz Shorey, Deputy Director of Community Development

Address: P.O. Box 545, Fortuna, CA 95540

Phone: (707) 725-1408

Email: lshorey@ci.fortuna.ca.us

Dates: 2020

City of Arcata – Municipal Services Review and Sphere of Influence Update

Planwest recently prepared the City of Arcata Municipal Services Review and Sphere of Influence Update. The City of Arcata provides a wide range of services including water, wastewater, law enforcement, street maintenance, parks and recreation, and other miscellaneous services. Most notably, the City has a strong conservation policy and works to obtain land surrounding the City in order to provide a greenbelt and conserve forest and agricultural land. Planwest has been working with City staff to update the SOI in a manner that is consistent with both LAFCo and City policy concerning open space land. (https://humboldtlaftco.org/wp-content/uploads/Arcata-MSR_Adopted-11-18-20.pdf)

Contact Person: David Loya, Community Development Director

Address: 736 F Street, Arcata, CA 95521

Phone: (707) 825-2045

Email: dloya@cityofarcata.org

Dates: 2019-2020

City of Blue Lake - Municipal Services Review and Sphere of Influence Update

The City of Blue Lake is located in Northern Humboldt County in the Mad River Watershed. The city was incorporated in 1910 has a downtown business district as well as an industrial park, and a relatively full range of municipal services and operates its own public works department. The City of Blue Lake also contracts with outside agencies to provide certain municipal services, such as police, garbage collection, and recycling. The Blue Lake Fire Protection District (FPD) provides fire and rescue services within and outside of city limits. Planwest, serving as Humboldt LAFCo staff, completed the City Blue Lake MSR & SOI Update in 2019. LAFCo and City staff worked cooperatively to consider SOI amendment alternatives and areas of interest outside City boundaries. A reduced sphere alternative was recommended and approved based on Humboldt LAFCo's 2018 Agricultural and Open Space Lands Policy that excludes the majority of resource lands not designated for urban uses. (<http://humboldtlaftco.org/wp-content/uploads/Blue-Lake-MSR-ADOPTED-7-17-19.pdf>)

Contact Person: City Manager Mandy Mager

Address: P.O. Box 458, Blue Lake, CA 95525

Phone: (707) 668-5655

Email: citymanager@bluelake.ca.gov

Dates: 2019

SONOMA LAFCO MSR PREPARATION

Timber Cove County Water District

Planwest Partners was contracted by Sonoma LAFCo to conduct a MSR/SOI Update and preliminary rate analysis for the Timber Cove County Water District. This MSR was requested by homeowners in the District who were concerned about the governance and financial management of the District. Planwest staff was able to gather information on the District from web resources and through coordination with District staff. Through our independent and impartial analysis we were able to document prior issues with District management and the current activities the District is taking to correct those issues. This resulted in specific recommendations for the District which include a follow up report on District finances after the completion of several outstanding audits. (<http://sonomalafco.org/Projects-and-Proposals/Timber-Cove-MSR-Project-Sept-2020/>)

Contact Person: Mark Bramfitt, Executive Officer Sonoma LAFCo
Address: 111 Santa Rosa Avenue, Ste 240, Santa Rosa, CA 95404
Phone: (707) 565-2577
Email: Mark.Bramfitt@sonoma-county.org
Dates: Jan-Oct 2020

V. PROJECT APPROACH

This section describes Planwest's overall approach for conducting the MSR as well as outlines specific tasks to complete the City of Sonoma MSR for review and adoption by Sonoma LAFCo as per the Request for Proposal.

Approach

Planwest prepares both routine and complex special studies as mandated by LAFCo statute, including MSR and SOI updates. Our approach is to provide customized outreach and assistance to member agencies to increase understanding of service, governance, and funding needs. Given the range of characteristics of service providers, a one size fits all approach is not always appropriate. We focus on service review scope and content, developing service specific MSRs that consider shared trends relating to the adequacy, capacity, and cost of providing essential governmental services. We present our analysis in a clear format with both written determinations and supplemental tables, graphs, and spatial data to demonstrate our conclusions. The MSRs are a significant resource and have lasting value for member agencies and the public as time goes on.

The Planwest team is well qualified and committed to preparing the City of Sonoma MSR as outlined in the RFP. We are familiar with the range of municipal services provided by the City including water, wastewater, streets and road maintenance, parks and recreation, police, and fire and emergency services. We will conduct a thorough examination of the services provided by City of Sonoma including demand for services related to potential growth and development around the City's edges and the potential annexation of an existing unincorporated island surrounded by the City. This will include looking at long range budgeting, infrastructure needs and capacities, and other factors in order to help determine the level of housing development the City can ultimately support.

Task 1 –Setting & Agency Profile

Planwest will prepare an agency setting that describes the context for the provision of services within the City. This includes evaluating growth and population projections, identifying disadvantaged unincorporated communities in the region, and describing current land uses. A GIS analysis component will be included in the setting to assist in identification of potential areas of growth within the urban services limit as shown in Figure 1 below.

An updated agency profile will be prepared that describe the core service, functions, boundaries, and infrastructure for the City. The brief profile will incorporate information collected and analyzed from research and direct contact with City staff. The profile will generally include the following information:

- > Formation and Development
- > Adopted Commission Boundaries
- > Organizational Structure
- > General Governmental Services
- > Financial Summary

A Planwest representative will speak with City personnel, gather information, and address any questions or concerns about the MSR process.

Deliverables: City Setting and Profile

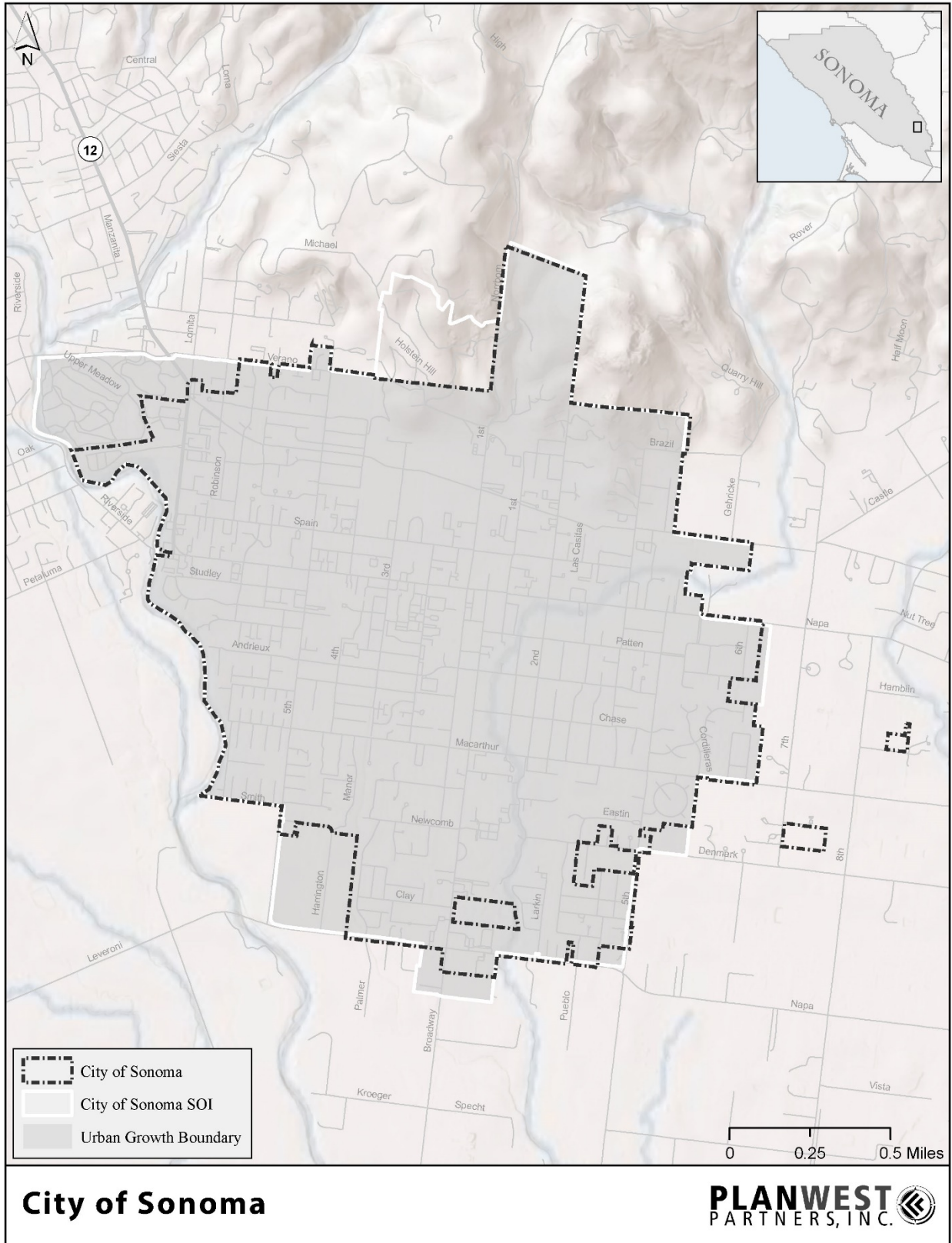
Task 2 – Service Evaluation, Determination and Administrative Draft

Planwest will conduct a services evaluation that provides LAFCo with an understanding of the capacity, adequacy and efficiency of services provided. Evaluations will consider service levels, service demand, financing challenges and opportunities, infrastructure needs and deficiencies, opportunities for shared facilities, and buildout projections over the next 10 to 15 years. Written determinations will be made to address the mandatory factors required under statute (Section 564303) in addition to potential sphere of influence amendments for the City. Once evaluation and determinations completed, an administrative draft MSR will be submitted for LAFCo and City staff review and comment. Planwest uses maps and tables to concisely convey information. A City of Sonoma figure, including the incorporated area, islands, the Urban Growth Boundary, and Sphere of Influence is included on the following page.

Deliverable: Administrative Draft MSR (including service evaluations)

Note: Proposed Table of Contents with figure and table list is presented below

Figure 1: City of Sonoma MSR Area



CITY OF SONOMA MSR PROPOSED TABLE OF CONTENTS

ACRONYMS

Introduction

- Municipal Service Review Purpose
- Sphere of Influence
- California Environmental Quality Act (CEQA)
- Municipal Service Review Uses
- City Profile

Executive Summary

- LAFCO Role and Responsibility
- City Profile
 - Growth and Population Projections*
 - Disadvantaged Unincorporated Communities*
 - Present and Planned Capacity of Public Facilities*
 - Financial Ability of Agencies to Provide Service*
 - Status of and Opportunities for Shared Facilities*
 - Accountability and Governance Structure*
- Matters Related to Effective or Efficient Service Delivery Required by Commission Policy
- Sphere of Influence Concerns
- Recommendations

Growth and Population Projections

Disadvantaged Unincorporated Communities

Present and Planned Capacity of Public Facilities

- City Facilities and Services

Financial Ability of Agencies to Provide Services

- City General Fund and Budget Cycles

Status and Opportunities for Shared Facilities

- Participation in Joint Powers Authorities (JPA's) - Sonoma Valley Fire & Rescue Authority
- Management Efficiencies

Accountability and Government Structure

- Commissions and Advisory Committees
- Staffing
- Out of Area Service
- Current Sphere Expansion and Annexations

Matters Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Sphere of Influence Considerations

Issues and Recommendations

Summary of Determinations

References

Tables

- General Information
- Population – Current and Projected
- Park Amenities and Cemeteries
- Water System Supply, Demands and Connections
- Water Storage, Pump Station Characteristics and Distribution System
- Capital Improvement Spending
- Water Rates
- Wastewater Rates SCWA
- Capital Improvement Spending (contingent on City information)

Exhibits

- City Limits, Urban Growth Boundary and Sphere of Influence Map
- City Disadvantaged Unincorporated Communities
- City Parks Facilities and Cemeteries Map
- Potable Water Service Area
- City Organizational Chart
- City and SOI Land Use Diagram

Task 3 – Draft Report and Public Review

A draft report will be prepared and presented to the Commission for discussion and feedback. The project team will provide City information and draft determinations for the Sonoma LAFCo staff to use in a workshop. The draft report will be a complete document in Microsoft Word format and include an introduction, setting, agency profile, services evaluation, and written determinations. Input received by the Commission, City staff, and interested stakeholders will be incorporated into the final MSR.

Deliverables: Public Review Draft MSR

Task 4 – Final Report and Adoption

A final MSR will be presented to the Commission for action at a noticed public hearing. The final draft report will include updates from earlier drafts based on new information or comments generated during the public review period. A Planwest staff representative will be available to answer questions on the MSR before the Commission considers formally adopting the MSR and written MSR determinations. The estimated cost assumes a virtual meeting based on Covid-19 restrictions. Should an in person meeting be held, Planwest can provide a cost estimate for attendance at the meeting.

Deliverables: Commission Meeting Attendance (Virtually) and Final City of Sonoma MSR

VI. CONFLICTS OF INTEREST

Planwest does not have any conflicts of interest with the City of Sonoma or Sonoma LAFCo.

VII. SONOMA LAFCO SUPPORT

Planwest will prepare an information request for City staff and other services providers. We have already been able to access GIS shapefiles and available City documents in preparing this proposal.

Planwest requests Sonoma LAFCo support in reviewing the information request and if necessary, encouraging service providers to provide information. We would also like Sonoma LAFCo assistance in scheduling draft review and identifying studies and other documents relevant to this City MSR.

VIII. PROJECT SCHEDULE

Timing of each work task (contingent on authorization by May 10 2021).

TASK	DESCRIPTION	COMPLETION DATE
1	Setting & Agency Profile	June 30, 2021
2	Service Evaluation, Determination and Administrative Draft	August 15, 2021
3	Draft Report for Public Review Including MSR Presentation to Commission	September 30, 2021
4	Final Report and Adoption, with MSR Presentation to Commission	November 15, 2021

IX. AVAILABILITY

Planwest staff is available to conduct the MSR as outlined in the above tasks and project schedule. Our team is skilled in scheduling multiple projects with enough time to provide detailed analysis and polished presentation on all of our work products.

X. PROJECT COST

Based on the above tasks and project schedule, Planwest can prepare the City of Sonoma MSR for a total budget not to exceed \$21,342. Cost by task and hourly rates for included staff provided below.

TASK	DESCRIPTION	COST
1	Setting & Agency Profile	\$9,437
2	Service Evaluation, Determination and Administrative Draft,	\$6,129
3	Draft Report for Public Review Including MSR Presentation to Commission	\$2,928
4	Final Report and Adoption, with MSR Presentation to Commission	\$2,848
	Total Cost	\$21,342

TITLE	HOURLY RATE
Principal Planner	\$125
Senior Planner	\$115
Associate Planner	\$95
GIS Analyst	\$92

XI. EXAMPLE MSR

Planwest was retained by San Diego LAFCo to complete the City of Poway MSR which is attached for your review. We also recently completed the Timber Cove County Water District MSR/SOI update for Sonoma LAFCo.

GEORGE WILLIAMSON

Principal, AICP



Mr. Williamson, Principal Planner and part owner of Planwest Partners Inc., has over 35 years of experience working as a planner in California, Oregon, Washington and Arizona. Mr. Williamson moved to Humboldt County in 1997, to start Planwest Partners after more than twenty years as an agency and consulting planner. Since moving to the northcoast, he has been involved in community planning environmental compliance and economic development activities. His community, land use and transportation planning experience offer a broad perspective when engaging organizations, agencies and stakeholders in developing investment, capacity and implementation strategies. He has both principal and project management experience, with community and economic development expertise. In 2015 George initiated a succession plan to bring new partners to the firm and transfer ownership.



Relevant Project Experience

- **City Planner, Multiple Cities**

Has served as City Planner for the Cities of Point Arena, Crescent City, Ferndale and Rio Dell. Responsibilities included both long range planning: general and regional plans; and current planning: permit processing and staffing Planning Commission & City Council hearings.

- **District Planner, Humboldt Bay Harbor, Recreation and Conservation District,**

Currently serves as District Planner. Participate in a variety of planning, environmental review, and permitting activities for District projects. Coordinates with District staff and consultants.

- **Executive Officer, Del Norte, and Shasta Local Agency Formation Commissions (LAFCo),**

Currently serves as Executive Director for two LAFCos and has performed municipal services reviews for six other LAFCos.

- **Crescent City Harbor District Local Coastal Program Amendment** Prepared environmental analysis for Del Norte County and Crescent City District's Local Coastal Program.

- **City of Arcata Land Use Code** Served as the City lead consultant for the completion of the General Plan Update and Environmental compliance tiering of the Program EIR prepared by Planwest Partners.

- **City of Fortuna General Plan Update** Served as the City lead consultant for the completion of the General Plan Update and Program EIR certification.

- **Samoa Town Master Plan Master EIR** Prepared Master EIR for the Samoa Town Master Plan and Humboldt County Local Coastal Program Amendment.

- **City of Pt Arena, Local Coastal Program Certification and Planning Services** Served as contract City Planner for 10 years and prepared both General Plan and Municipal Code documents.

EDUCATION

San Diego State University, CA

Master of City Planning, 1988

Portland State University

B.S., Social Science w/ Urban

Studies Certificate, 1976

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified

Planners 1983 - Life Member 2019

American Planning Association

Life Member 1981

Arcata Energy Committee

Chairperson , 2014-current

Efficiency Sales Professional

Institute Certification 2012

Life Care Humboldt Board Member

2020

Colette Metz Santsche

Partner/Senior Planner, AICP



Colette Santsche is a certified planner and partner at Planwest Partners with over ten years of experience working with business, nonprofits, government, and community efforts. Through her involvement with Local Agency Formation Commissions, Colette has experience navigating complex boundary change proposals and reorganizations that require a high level of involvement from affected agencies, stakeholders and members of the public. Her interest in community and economic development and organizational change management has expanded her involvement in strategic planning and outreach strategies. She has experience administering surveys, conducting interviews, and facilitating outreach activities to engage a variety of stakeholders and project partners.



Relevant LAFCo Experience

- **Local Agency Formation Commission (LAFCo) Contract Staffing Services.** *Humboldt and Trinity LAFCos.* Serves as Executive Officer for Humboldt and Trinity LAFCos. Conducts special studies including municipal service reviews and sphere of influence updates involving inter-agency coordination; prepares agendas and staff reports for Commission meetings; and implements policies and procedures for carrying out LAFCo functions. Oversees application and petition processing and analysis for LAFCo action involving changes of governmental organization and reorganization, such as district formations and annexations. Represents LAFCo at stakeholder meetings and makes presentations to LAFCo and other local governments at public hearings.
- **Humboldt Bay Peninsula Services Study.** *Humboldt LAFCo.* Prepared a services study to determine service needs and reorganization alternatives for service providers on the Humboldt Bay Peninsula. Conducted stakeholder interviews and facilitated a stakeholder meeting to inform and recommend a preferred governance option. Ultimately, a reorganization application was submitted to LAFCo that included formation of a community services district as successor agency, an election process, technical financial studies, and final asset transfer agreements.
- **Fire Services Sustainability and Service Reviews.** *Humboldt LAFCo.* Part of a technical assistance team focused on sustainable community fire protection to address the lack of complete community coverage and sustainable revenue. Prepared a series of regional fire services municipal service reviews that included over 45 fire related districts and volunteer fire companies to identify shared trends relating to the adequacy, capacity, and cost of providing fire protection services in Humboldt County. Continued to take part working group meetings with the County and Fire Chiefs Association to address service and funding needs, property tax sharing recommendations, policy changes, and identification of priority areas for annexation or consolidation.

EDUCATION

Humboldt State University, CA
B.S., Natural Resources Planning and Interpretation, Humboldt State University, 2008

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners (AICP), 2018
HSU Leading Organizational and Community Change Courses, 2017
Humboldt Area Foundation, Cascadia Leadership Program, 2012
National Charrette Institute, Charrette System Certificate, 2011
Toastmasters, Former Area Governor
North Bay Rotaract, Charter Member

Relevant Project Experience

- **CCFR 10-Year Financial Master Plan.** *Crescent City Fire and Rescue.* Served as project manager for the CCFR Financial Master Plan, which identified the department's current and projected fire and emergency service needs and associated costs with delivering services over a 10-year period. Facilitated a series of meetings with a 2x2 committee representing elected officials from the department's parent agencies, as well as a select group of officers to reflect on the long-term direction of the department. Developed an Action Plan and cost projections for achieving increased administrative capacity, enhanced volunteer staffing programs, and a long-term schedule for apparatus and equipment replacement.
- **Comprehensive Economic Development and Tourism Strategy.** *Yurok Tribe.* The Yurok Tribe secured funding from the U.S. Economic Development Administration (EDA) to conduct a Comprehensive Economic Development Strategy (CEDS) and a Tourism Investment Strategy planning process. Included CEDS Working Group meetings, community meetings, and stakeholder interviews.
- **AEDC Strategic Plan Update.** *Arcata Economic Development Corporation.* The Strategic Plan included interviews, online surveys, and focus groups with financial partners, community leaders, and clients. Conducted a day-long Board/Staff Retreat to clarify foundational principles, reflect on the challenges and successes, and identify implementation actions for the future stability and growth of the organization.

Mr. Barnes, Geographical Information Systems (GIS) Analyst, has over 10 years of experience working as an analyst, technician, cartographer, programmer, and university lecturer in the GIS field. His art background and broad technical experience lends well to GIS and cartographic visualization and communication. He has both principal and project management experience on a wide range of projects from socio-spatial, transportation, interactive mapping, and large area climate projects. Mr. Barnes moved to Humboldt County in 2006 to start his higher education at Humboldt State University. For the last ten years, he has been involved in activities involving many local consulting, non-profit, and federal agencies. He is currently on the board of directors for the Bigfoot Trail Alliance, and is in the process of receiving his GIS Professional (GISP) certification through the GIS Certification Institute.



Relevant Project Experience

- **City of Eureka Housing Element Update, Technical Appendices**
Compiled Bureau of the Census, American Community Survey (ACS), Comprehensive Housing Affordability Strategy (CHAS), demographic, housing characteristic, household, employment, and income statistics for the City of Eureka Housing Element Technical Appendix. Conducted site inventory analysis for developable parcels based on HCD criteria methodology.
- **Humboldt Waste Management Authority (HWMA).**
Analyzed complex routing scenarios for food waste diversion for a potential bio-digester project in Eureka, California. This project looked at multiple routing scenarios utilizing route optimization, and waste collection vehicle options as viable solutions for a city-wide food diversion project.
- **Humboldt Transit Authority (HTA).**
Helped create the Humboldt County Transportation Services Guide for public transit and human services transportation for the Redwood Transit System (RTS), Eureka Transit Service (ETS), Arcata and Mad River Transit System (AMRTS), Blue Lake Rancheria Transit System (BLRTS), Klamath-Trinity Non-Emergency Transportation (KT-NET), and Trinity Transit.
- **Hiking Humboldt Volumes 1 & 2.**
Cartography for over 150 hiking maps for Hiking Humboldt Volumes 1 & 2. These books highlight familiar favorites, hidden gems, and unexpected adventures across Humboldt County. Each map is custom to provide aesthetics and clarity to complement each hike description, trail data, and tips for the hiking in the region.
- **Shasta County Local Agency Formation Commission (LAFCo) Fire Service Analysis.**
Planwest Partners provides contract staffing services to Shasta LAFCo. A fire district analysis was conducted looking at fire station response times, service areas, and route optimization.
- **Yosemite National Park Search and Rescue Cost Surface Analysis**
Created a model for a complex cost surface analysis for foot traffic travel times across the wilderness areas of Yosemite National Park. The model would utilize a last known location of a lost hiker, and create temporal travel time areas based on attributes such as terrain type, difficulty, hiker age, condition, etc.

EDUCATION

Humboldt State University
M.S., GIS, 2012
Northern Michigan University
B.F.A., Photography, 2002

TRAINING/PROFESSIONAL AFFILIATIONS

Database Design
Course 2018
Bigfoot Trail Alliance
Secretary 2016-Present
ESRI Training Courses
Member, ASPRS
2008-Present

Krystle Heaney is an Associate Planner for Planwest and provides support services for numerous LAFCOs throughout the state. She currently provides clerking services for Humboldt LAFCo which includes processing service extension and boundary change applications in addition to conducting regular MSRs for cities and special districts. She also assists with MSRs for numerous other LAFCOs including Shasta, Sonoma, Trinity, Marin, Contra Costa, and San Diego.

Krystle also provides environmental planning services for LAFCOs and other Planwest clients. She is well versed in CEQA regulations and stays up to date on current practices. She recently prepared Addendums for an out of area service request and a city boundary change in Humboldt County. She has worked collaboratively with local governments and districts, State and federal regulatory agencies, and community groups on a variety of projects including CEQA environmental review, coastal development permitting requirements, waste discharge requirements documentation, and prohibited pesticide use exemption applications. Due to this experience, she is well-versed in the environmental analysis processes, permitting, and community engagement activities that coincide with LAFCo processes.



Relevant Project Experience

- Humboldt LAFCo Clerking and Analyst Services
Krystle is the current clerk for Humboldt LAFCo and regularly processes requests for information, out of boundary service requests, and boundary change applications. She also oversees the preparation of municipal service reviews for cities and agencies throughout the county. Recent MSRs include the City of Arcata, City of Fortuna, City of Trinidad, and several small community services districts supplying water and wastewater services to area residents.
- Shasta LAFCo Municipal Service Reviews
Recently, Krystle has been responsible for collecting data and drafting agency profiles for community services districts, community service areas, and mosquito abatement districts in Shasta county. Services reviewed include water, wastewater, flood control, and mosquito abatement activities. These MSRs have included regular contact with agency and county staff to collect information and review draft documents.
- Sonoma LAFCo Municipal Service Reviews
Krystle managed the preparation of the recent Timber Cove County Water District MSR. This review was completed at the request of the District and included a water services rate comparison analysis. Krystle coordinated with District staff and board members, participated in internal coordination meetings, and presented the draft document to the commission during the public hearing.
- Marin LAFCo Municipal Service Reviews
Marin LAFCo retained Planwest to prepare two regional MSRs for the San Rafael and Novato areas. Krystle was responsible for gathering baseline data including current infrastructure statistics, past regulatory decisions, and current environmental practices as they pertain to dredging activities. Services reviewed included flood control and dredging, street maintenance and landscaping, and water and wastewater services. She was also responsible for determining the sustainability of current practices and providing service determinations for special districts as needed.

EDUCATION

CSU Sacramento
B.A. – Physical Geography, 2013

TRAINING/PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners
Certified November 2020

American Planning Association
Member Since 2019

AEP Intermediate CEQA Workshop – 2021

AEP Advanced CEQA Workshop – 2020

CALAFCOU: Deep Dive into MSRs – 2019

Certified California Naturalist

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION



POWAY REGION

Municipal Service Review | Government Code 56430

Affected Agencies

City of Poway

Draft Report | April 2021

Project Managers

George Williamson, Contract Planner (Lead)
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ACKNOWLEDGEMENTS

San Diego LAFCO gratefully acknowledges the time and effort of officials and staff with the City of Poway in assisting in the preparation of this report and includes – but not limited to – the following:

Tracy Beach, Senior Civil Engineer
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Kristin Holden, Senior Administrative Assistant
Wendy Kaserman, Assistant City Manager
Marisa Lowe with Poway Public Library
Angelina Martinez, Management Analyst
Jessica Parks, Senior Management Analyst
Annie Ransom with Kumeyaay-Ipai Interpretive Center
Melody Rocco, City Engineer
Craig Ruiz, Economic Development Administrator
Austin Silva, Senior Planner
Stacey Tang, Finance Manager

LAFCO also acknowledges the unique circumstances underlying the preparation of this report and participation therein by the City of Poway given the parallel impact of the COVID-19 pandemic. Poway has taken measured precautions in response to the ongoing pandemic with City offices and regular meetings transitioning to virtual operations to protect both City officials and the public.

TABLE OF CONTENTS

CHAPTER ONE | INTRODUCTION

1.0 Local Agency Formation Commissions (LAFCO)	
1.1 Authority and Objectives.....	1
1.2 Regulatory Responsibilities.....	2
1.3 Planning Responsibilities	2
1.4 LAFCO Decision-Making.....	5
1.5 Prescriptive Funding.....	5
2.0 San Diego LAFCO	
2.1 Adopted Policies and Procedures	6
2.2 Commission Information	6
2.3 Contact Information	7

CHAPTER TWO | EXECUTIVE SUMMARY

1.0 Overview	
1.1 Key Premises, Assumptions, and Benchmarks	9
2.0 Report Organization.....	11
3.0 Geographic Area	12
4.0 Report Summary	
4.1 General Themes and Conclusions	12
4.2 Recommendations	15
5.0 Written Determinations	
5.1 Growth Projections & Related Demographics	16
5.2 Location and Characteristics of Disadvantaged Unincorporated Communities.....	18
5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies.....	18
5.4 Agencies' Financial Ability to Provide Services.....	23
5.5 Status and Opportunities for Shared Facilities and Resources.....	25
5.6 Local Accountability and Government Restructure Options	25

CHAPTER THREE | AGENCY PROFILE

A. CITY OF POWAY

1.0 Overview	28
2.0 Background	
2.1 Community Development	29
2.2 Incorporation Proceedings	30
2.3 Post-Incorporation Proceedings	31
3.0 Boundaries	
3.1 Jurisdictional Boundary	32
3.2 Sphere of Influence.....	33
3.3 Current Boundary and Sphere Designations	34
4.0 Demographics	
4.1 Population and Housing	35
4.2 Age Distribution	36
4.3 Income Characteristics.....	37
4.4 Socioeconomic Indicators.....	37
5.0 Organization	
5.1 Governance	38

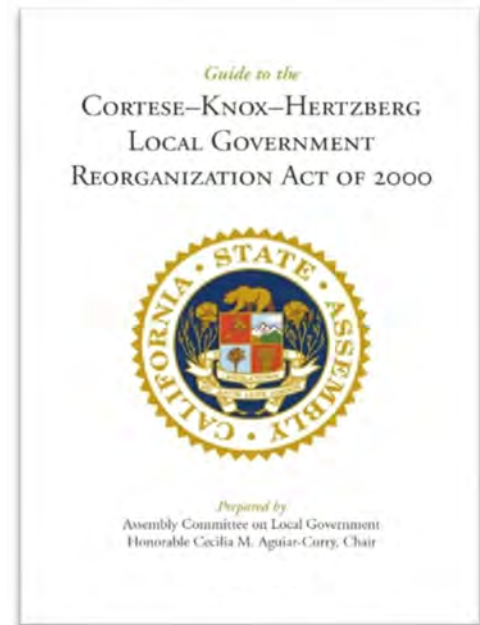
5.2 Administration.....	40
6.0 Municipal Service Functions (Primary)	
6.1 Fire Protection and Emergency Medical	41
6.2 Wastewater	46
6.3 Potable Water.....	49
6.4 Parks and Recreation	56
6.5 Community Development	60
6.6 Other Municipal Services	66
7.0 Finances	
7.1 Budget Information.....	67
7.2 Financial Statements.....	70
7.3 Measurements Liquidity, Capital, and Margin.....	71
7.4 Pension Obligations.....	72
<u>Appendix A</u> Disadvantaged Unincorporated Communities (DUC) Maps.....	x
<u>Appendix B</u> Sources.....	x

CHAPTER ONE | INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.¹ LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are referred to as the Legislature's "watchdog" for local governance issues.²



Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities outlined under Government Code (G.C.) Section 56301. This statute reads:

“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions. One of the objects of the commission is to make studies and furnish information to contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

¹ Reference California Government Code Section 56000 et. seq.

² In its ruling on *City of Ceres v. City of Modesto*, the 5th District Court of Appeals referred to LAFCOs as the “watchdog” of the Legislature to “guard against the wasteful duplication of services.” (July 1969)

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly effects land use density or intensity, property development, or subdivision requirements.

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.³ LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and special districts in California with limited exceptions.

contracts or agreements. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively delineating the appropriate

LAFCOs are tasked with planning the location of future urban uses through two interrelated activities: (a) establish and update spheres of influence as gatekeepers to future jurisdictional changes and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to community needs.

interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

³ CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory it independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions as footnoted.⁴ Further, an increasingly important role involving sphere determinations relate to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns.

Starting January 1, 2008, LAFCOs must review and update all local agencies' spheres every five years. In making sphere determinations, LAFCOs are required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities. The five mandated planning factors are summarized in short-form below.

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineates where cities, towns, or districts may seek future annexations or outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

1. Present and planned land uses in the area, including agricultural and open-space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. If the city or special district provides water, sewer, or fire, the need for those services in any disadvantaged unincorporated communities in the existing sphere.

⁴ Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies' spheres include annexations of State correctional facilities or annexations to cities/towns involving city/town owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

Municipal Service Reviews

Municipal service reviews serve as a centerpiece to CKH’s enactment in 2001 and represent comprehensive studies of the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. Advisory guidelines on the preparation of municipal service reviews were published by the Governor’s Office of Planning and Research in 2003 and remain the lone statewide document advising LAFCOs in fulfilling this mandate.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized below in short-form with additional details footnoted.⁵

Municipal service reviews fulfill the Legislature’s interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.

⁵ Determination No. 5 was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of “disadvantaged unincorporated community” is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling \$53,735 (*emphasis*).

6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by policy.

1.4 LAFCO Decision-Making

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public. Some larger LAFCOs – including San Diego – also have additional board seats dedicated to specific cities as a result of special legislation. All members serve four-year terms and divided between “regulars” and “alternates” and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their appointing authorities.

1.5 Prescriptive Funding

CKH prescribes local agencies fully fund LAFCOs’ annual operating costs. Counties are generally responsible for funding one-third of LAFCO’s annual operating costs with remainder one-third portions allocated to the cities/towns and independent special districts. The allocations to cities/towns and special districts are calculated based on standard formula using general tax revenues unless an alternative method has been approved by most of the local agencies. The funding proportions will also differ should the LAFCO have additional representation as a result of special legislation. LAFCOs are also authorized to collect proposal fees to offset local agency contributions.

2.0 SAN DIEGO LAFCO

2.1 Adopted Policies and Procedures

The majority of San Diego LAFCO’s (“Commission”) existing policies and procedures were initially established in the 1970s and subsequently updated in the 2000s in step with the enactment of CKH. These policies and procedures collectively guide the Commission in implementing LAFCO law in San Diego County in a manner consistent with regional growth management priorities as determined by the membership with sufficient discretion to address local conditions and circumstances. This includes overarching policies and procedures to align present and planned urban uses with existing cities and special districts and discourage proposals that would prematurely convert agricultural and open-space lands. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews. This includes direction to the Executive Officer to regularly prepare municipal service reviews in appropriate scope and level to inform the Commission in updating spheres in regular five-year intervals.

2.2 Commission Information

San Diego LAFCO holds regular meetings on the first Monday of each month at the County of San Diego Administration Center located at 1600 Pacific Highway in San Diego, California. Meetings start at 9:00 A.M and live-streamed at www.sdlafco.org. Agenda materials are posted online generally no less than one week in advance of a regular meeting. The current Commissioner roster follows.

San Diego LAFCO Membership		
Current as of January 2021		
Commissioner	Appointing Authority	Affiliation
Chair Andy Vanderlaan	Commission	Representative of the Public
Vice Chair Jim Desmond	Board of Supervisors	County of San Diego
Chris Cate	City of San Diego Mayor	City of San Diego
Jo MacKenzie	Independent Special Districts	Vista Irrigation District
Mary Casillas Salas	Cities Selection Committee	City of Chula Vista
Nora Vargas	Board of Supervisors	County of San Diego
Bill Wells	Cities Selection Committee	City of El Cajon
Baron “Barry” Willis	Independent Special Districts	Alpine Fire Protection District
Alternate Joel Anderson	Board of Supervisors	County of San Diego
Vacant	Independent Special Districts	
Alternate Harry Mathis	Commission	Representative of the Public
Alternate Paul McNamara	Cities Selection Committee	City of Escondido
Alternate Marni von Wilpert	City of San Diego Mayor	City of San Diego

Immediate Past Members in 2020:

- Dianne Jacob, Board of Supervisors, County of San Diego
- Mark Kersey, Mayor of the City of San Diego, City of San Diego
- Greg Cox, Board of Supervisors, County of San Diego (alt)
- Erin Lump, Independent Special Districts, Rincon Del Diablo Municipal Water District (alt)

2.3 Contact Information

San Diego LAFCO’s administrative office is located within the County of San Diego’s Operations Center at 9335 Hazard Way in San Diego (Kearny Mesa). Visitor parking is readily available. Appointments to discuss proposals or other matters are encouraged and can be scheduled by calling 858.614.7755. Communication by e-mail is also welcome and should be directed to lafco@sdcounty.ca.gov. Additional information regarding San Diego LAFCO’s programs and activities is also available online by visiting www.sdlafco.org.



Thank you.

A handwritten signature in green ink that reads 'Keene Simonds'. The signature is fluid and cursive, with the first name 'Keene' being more prominent.

Keene Simonds
Executive Officer

CHAPTER TWO | EXECUTIVE SUMMARY

1.0 OVERVIEW

This report represents San Diego LAFCO’s scheduled municipal service review for the Poway region in central San Diego County. The report has been prepared by contract staff (Planwest Partners) consistent with the scope of work approved by the Executive Officer. The underlying aim of the report is to produce an independent assessment of municipal services in the region and specifically the principal service provider – City of Poway – over the next five years relative to the Commission’s regional growth management duties and responsibilities. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The purpose of the report is to produce an independent “snapshot” of the level and range of services provided in the Poway region - and specifically the City of Poway - relative to informing future LAFCO decision-making. The report marks the first municipal service review dedicated to the Poway region.

1.1 Key Premises, Assumptions, and Benchmarks

The report has been oriented in scope and content to serve as an ongoing monitoring program on municipal services in the Poway region. It is expected San Diego LAFCO will revisit the report and key assumptions and benchmarks approximately every five years consistent with the timetable set by the Legislature and memorialized under adopted policy. This will also allow the Commission – among other tasks – to assess the accuracy of earlier projections and make appropriate changes in approach as needed as part of future reports. Other key premises, assumptions, and benchmarks underlying the preparation of this report follow.

Defining Scope | Affected Agencies Covered

There are multiple local agencies under the Commission’s oversight that provide one or more municipal services in the Poway region. The City of Poway is principal among these local agencies and provides most municipal services within the region and accordingly is the focus of this report. Other local agencies that provide one or more municipal services in the region include Palomar Healthcare District and Pomerado Cemetery District and are expected to be detailed as part of separate and future service-specific reports.

As the primary service provider within the region, this municipal service review focuses on the City of Poway.

Defining Scale | Municipal Services Covered

Consistent with the preceding premise and focus therein on the City of Poway, the report is scaled to address five core City municipal functions deemed by the Commission’s Executive Officer to be most pertinent in accommodating growth and development in the region. These five core municipal functions are integrated fire protection and emergency medical services, wastewater, water, parks and recreation, and community development. Other pertinent City functions are also addressed in the report, though in an abbreviated format and include street maintenance, storm water, flood control, law enforcement, and animal control.

Looking Back – Determining the Data Collection Range or Report Period

The period for collecting data to inform the Commission’s analysis and related projections on population growth, service demands, and finances has been set to cover the five-year fiscal period from 2015 to 2019 with limited exceptions (i.e. July 1, 2015 through June 30, 2019). This data collection period – which covers the 60 months immediately preceding the start of work on the document – purposefully aligns with the five-year timeline for the report with the resulting data trends appearing most relevant in making near-term projections; i.e., data from the last five years is most pertinent in projecting trends over the next five years.

Looking Forward – Setting the Report’s Timeframe

The timeframe for the report has been oriented to cover the next five-year period through 2024 with the former (five years) serving as the analysis anchor as contemplated under State law. This timeframe is consistent with the five-year cycle prescribed for municipal service reviews and expected therein to inform all related sphere of influence and boundary actions undertaken in the region during this period involving the City of Poway and other local agencies as applicable.

Calculating Population Estimates and Projections

Past and current residential population estimates in the report draw on data generated by Esri and their own mapping analyses of census tracts. This approach differs from past Commission practice to utilize estimates by the San Diego Association of Governments and done so given – and among other factors – the ability of Esri’s mapping software to readily sync with special district boundaries. Projections over the succeeding five-year period are made by LAFCO and apply the estimated growth trend over the last 60 months; i.e. population growth over the last five years is generally expected to hold over the next five years.

Focusing on Macro-Level Determinations

The report focuses on central service outputs with respect to quantifying availability, demand, and adequacy of municipal services provided in the region and specifically the City of Poway. A prominent example involves focusing on annual system-wide demands generated during the five-year report period as opposed to specific areas or zones. This approach informs macro-level determinations for all mandatory factors under statute. When applicable, the report notes the need for more micro-level analysis as part of addendums or future municipal service reviews.

Benchmarking Infrastructure Needs and Deficiencies

Similar to the preceding factor the report and its analysis focuses on average system demands – whether water, wastewater, fire, etc. – generated in the affected agency’s service area during the 60-month study period in benchmarking infrastructure needs or deficiencies. This broader focus on averages provides a more reasonable account of system demands and helps to control against one-year outliers in analyzing overall relationships with capacities.

Benchmarking Fiscal Solvency

Several diagnostic tools are used to assess and make related determinations on the affected agency’s financial solvency based on a review of available audited information. This includes an emphasis on analyzing current ratio, debt-to-net assets, and total margin. These specific diagnostics provide the Commission with reasonable benchmarks to evaluate liquidity, capital, and margin and calculated to track overall trends and final-year standing.

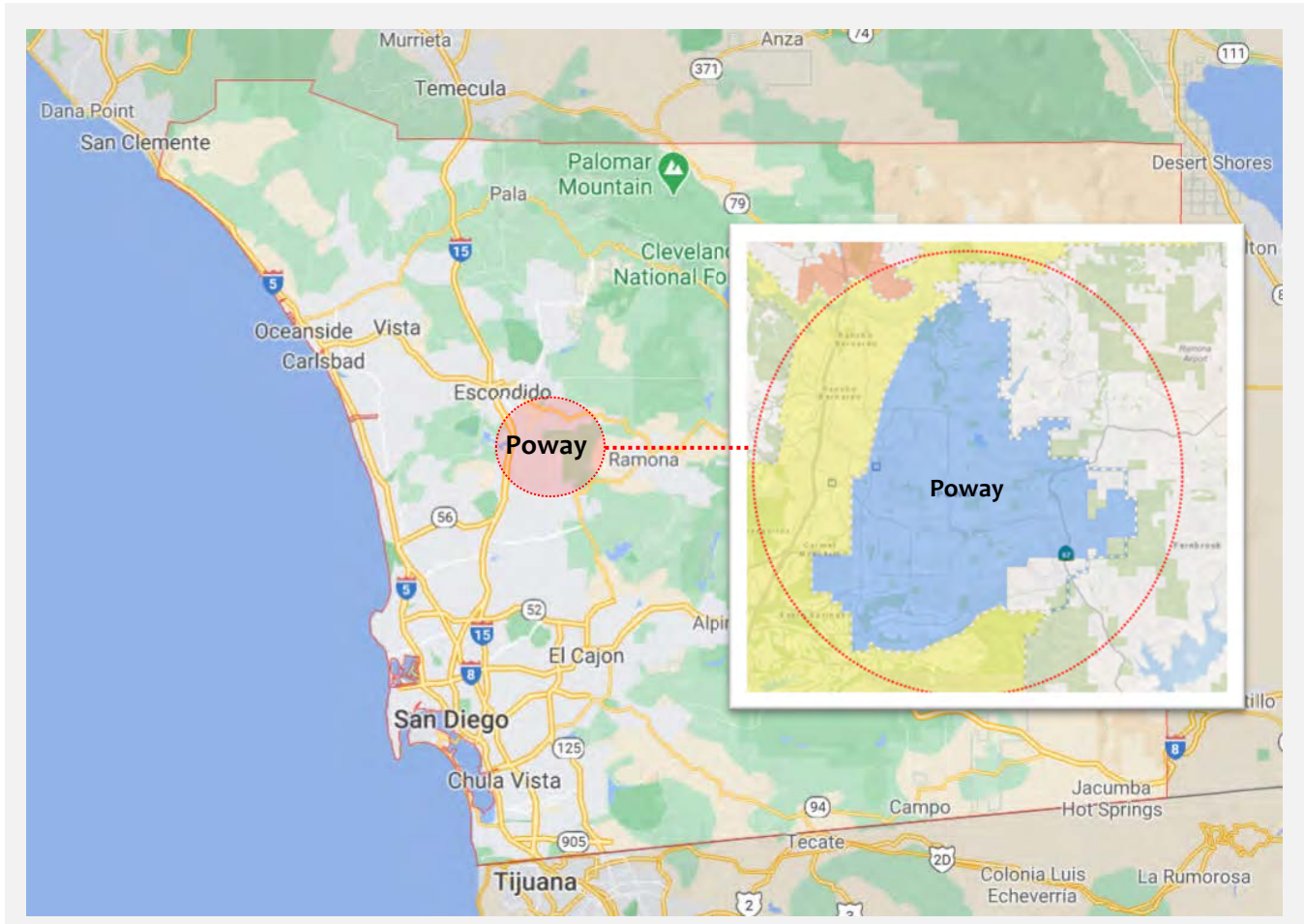
2.0 REPORT ORGANIZATION

This chapter serves as the Executive Summary and outlines the key conclusions, recommendations, and determinations generated within the report.⁶ This includes addressing the mandatory service and governance factors required by the Legislature whenever San Diego LAFCO performs a municipal service review. The Executive Summary is preceded by an agency profile (Chapter Three) for the City of Poway as the principal municipal service provider in the region. The profile transitions between qualitative descriptions of the background and development of Poway to quantifying specific categories. This includes quantifying demographic trends, service levels, and financial standing.

⁶ The Executive Summary purposefully distinguishes between “conclusions,” “determinations,” and “recommendations.” Conclusions refer to general policy takeaways. Determinations address specific legislative factors. Recommendations address specific actions that are drawn from the determinations.

3.0 GEOGRAPHIC AREA

The geographic area designated for this municipal service review is approximately 30 square miles in size. The geographic area has been purposefully designated to cover all of the City of Poway’s existing sphere of influence designation and surrounding lands. The geographic area is shown below along with marking Poway’s jurisdictional and sphere of influence boundaries.



4.0 REPORT SUMMARY

4.1 General Themes and Conclusions

The Poway region encompasses a geographically distinct area and captures both “East” and “North” elements of San Diego County and their different social and economic interests. The region’s development, accordingly, reflects both rural and urban landscapes paired with significant open-space resources and codified in the City of Poway’s official maxim as the “City in the Country.” The

region’s development also differs from other local municipalities given the impetus to incorporate the City of Poway was less about breaking from the County of San Diego and more about preserving its existing characteristics – developed under the County – and protecting against annexation to the City of San Diego. These characteristics are further defined by the slow-growth orientation of the City of Poway as the focal point of the region and as successor agency to five special districts; the latter of which – significantly – enables the City to directly sync services (i.e. water, wastewater, fire, etc.) with development within its jurisdictional boundary. Also serving to define the region is the high-performing Poway Unified School District and extensive cultural and recreational amenities.

A review of the City of Poway relative to the Commission’s growth management tasks and interests produces eight central themes or conclusions. These conclusions collectively address the availability, need, and adequacy of services within the City of Poway as the consolidated service provider in the region and range in substance from addressing demand-to-capacity relationships to overall financial standing. The conclusions also address potential sphere changes. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2015 and 2019 with limited exceptions and detailed in the agency profile.

- **No. 1 | Introductory Municipal Service Review**

This report represents San Diego LAFCO’s inaugural municipal service review dedicated to the Poway region and the lone subject agency of record – City of Poway. Consequently, the report serves as a dual introduction. This is marked by addressing relatively new LAFCO statute and responsibilities to the City of Poway in real-time while proceeding with an otherwise unfamiliar and relatively detailed service review process. The introduction similarly reorients the municipal service review for the Commission to focus on establishing baseline information with the intention of expanding and/or redirecting the analysis in future reports.

- **No. 2 | Revisiting a Successful Reorganization**

This report separately marks the first formal opportunity for San Diego LAFCO to revisit its approval in 1980 to comprehensively reorganize municipal services in the Poway region with the incorporation of the City of Poway and the concurrent dissolution of five special districts. The report confirms the reorganization has met Commission expectations 40 years later in effectively consolidating land use and municipal service planning within one local governmental entity and in doing so eliminating duplicative and fragmented government.

- **No. 3 | An Atypical Suburb**

The region’s geographic setting encompasses both “East County” and “North County” orientations and contributes to a unique growth footprint leading to an atypical suburban community in metropolitan San Diego County. This footprint equally blends rural and urban

uses and purposefully guided by the region’s social and economic anchor in the City of Poway and its adopted tagline as the “City in the Country.” A tangible outcome of this footprint is measurably slower growth and development in the region compared to other suburban communities in San Diego County despite proximity to major transportation corridors.

- **No. 4 | Creation of a Municipal Greenbelt**

Close to one-third of the City of Poway jurisdictional boundary has been purchased by the City and dedicated as open space with compatible recreational uses. A considerable portion of this open space lies along Poway’s eastern perimeter and – among other outcomes – produces a municipal greenbelt controlled by the City and protects against otherwise unwanted urban encroachment from adjacent unincorporated areas.

- **No. 5 | Distinguishing Demographics**

Demographic information for the region shows increasing affluency within its social and economic anchor – City of Poway – and headlined by substantially higher and rising household incomes paired with substantially lower and falling poverty rates relative to overall averages in San Diego County. Relatedly, Poway is increasingly home to white-collar workers with more than one-half of all adults 25 years of age or older in Poway having bachelor’s degrees, almost double the countywide average.

- **No. 6 | Housing and Relationship on Orderly Growth**

Only 385 new housing units have been constructed in the region and specially within the City of Poway since 2010 and represents an overall increase of 2.3%. This housing production is more than two times lower than the equivalent amount of new construction for the entire San Diego County – 5.9% – and underlies an increasing affordability challenge with the average monthly housing cost in Poway being one-half higher than the remainder of the county. It also – significantly – counters the Legislature’s notion of orderly growth in LAFCO statute. The recent adoption of the Poway Road Specific Plan (2017) and its provisions to increase densities and heights along the City’s main thoroughfare marks a substantive planning effort to generate new housing opportunities and merits future revisiting in terms of actual outcomes.

- **No. 7 | Adequate and Excess Municipal Service Capacities**

The City of Poway is the municipal service hub for the region and through the end of the report period has established adequate capacities to meet current demands relative to its core growth-supporting functions: fire protection and emergency medical; wastewater; potable water; parks and recreation; and community development. Notably, no substantive deficiencies have been identified and all core functions have excess capacities to accommodate anticipated growth within the immediate future.

- **No. 8 | Positive Financial Standing with One Exception**

The City of Poway improved its financial standing during the report period as measured by its audited net position with an overall 10% increase. This improvement has been aided by achieving an average total margin of 2% over the corresponding 60-month period and contributes to an ending General Fund balance sufficient to meet 12 months of operating expenses. A key exception similar to other municipalities in the immediate region involves an underfunded pension program with CalPERS and reflected in a low composite funded ratio of 70% at the end of the report period.

4.2 Recommendations

The following recommendations call for specific action either from San Diego LAFCO, City of Poway, or other local agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations LAFCO action are dependent on a subsequent directive from the Commission and through the adopted workplan.

1. San Diego LAFCO should update its statutory program on disadvantaged unincorporated communities and concurrently revisit the eligibility of lands immediately to the north of the City of Poway's sphere of influence in San Pasqual Valley and the potential merit therein to extend municipal services consistent with the associated legislation.
2. It would be timely for the City of Poway to perform an update to the General Plan (1991) to reflect changes in State planning law as well as to reflect potential changes in community vision. An update to the General Plan also – pertinently – would aid San Diego LAFCO align its regulatory and planning duties going forward in step with current local conditions.
3. The limited progress in building new housing in the City of Poway over the reporting period merits City policies and/or procedures being revisited and revised to more effectively meet the needs for persons and families of all incomes and in doing so promote orderly development. An encouraging example of a new approach in meeting housing needs involves the recent approval of the Poway Road Specific Plan (2017) that measurably increases housing densities along an existing transportation corridor.
4. San Diego LAFCO should expand the analysis of this introductory document as part of the next scheduled municipal service review covering the City of Poway to more fully address other key service functions – including law enforcement, flood control, etc. – to provide a more complete accounting of public services in the City consistent with statutory intent.

5. San Diego LAFCO should revisit fire protection and emergency medical services in the City of Poway as part of an expected update to the Commission’s countywide fire service study.
6. No reorganization alternatives have been identified by San Diego LAFCO that merit analysis at this time. It would be appropriate, nonetheless, for LAFCO to revisit potential reorganization opportunities in conjunction with completing future projects, including upcoming municipal service reviews on other local agencies in the region.
7. San Diego LAFCO should proceed to update the City of Poway’s sphere of influence with no changes at this time. LAFCO should relatedly defer consideration of any individual sphere amendment requests to the next update unless special circumstances warrant otherwise.

5.0 WRITTEN DETERMINATIONS

San Diego LAFCO is directed to prepare written determinations to address the factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements of reasonable facts based on information collected, analyzed, and presented in this report’s subsequent sections. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services in the region by the City of Poway specific to the Commission’s growth management duties and responsibilities. An abbreviated version of these determinations will be separately prepared for Commission consideration in conjunction with accepting the final report.

These determinations address the specific factors required in statute as part of the municipal service review process and represent statements of reasonable facts as legislatively determined by San Diego LAFCO and based on information analyzed between 2015 and 2019.

5.1 Growth Projections & Related Demographics

1. San Diego LAFCO independently estimates there are 49,704 total fulltime residents within the City of Poway’s jurisdictional boundary as of the end of the report period. An additional 140 unincorporated residents are estimated to reside within the Poway sphere of influence.
2. The portion of San Diego County’s overall resident population within the City of Poway has decreased over the five-year report period from 1.6% to 1.5%; a difference of 6%.

3. San Diego LAFCO estimates the annual rate of new resident population growth in the City of Poway during the report period has been 0.4%. This growth rate is one-half lower than the corresponding rate for all of San Diego County and reflects the City's the slow-growth focus.
4. The City of Poway's jurisdictional boundary spans 39 square miles or 25,039 acres and produces a ratio of 2.0 residents for every acre at the end of the report period. This is the lowest ratio of residents per acre among all 18 incorporated communities in San Diego County and captures the City's relatively unique and blended urban-rural landscape.
5. San Diego LAFCO projects the current resident population growth rate in the City of Poway will generally proceed unchanged over the report timeframe. Should the projection hold, there will be a net increase of 999 residents – or 200 each year – and reach 50,538 by 2024.
6. San Diego LAFCO should coordinate with the City of Poway and SANDAG to develop current buildout estimates (i.e. current relative to existing zoning) specific to the City and incorporate the information into the next municipal service review.
7. Housing production in City of Poway totals 17,100 dwelling units at the end of report period and represents an overall increase of 2.3% – or 385 annually – since 2010. This level of housing production is two times below the corresponding housing production rate for all of San Diego County and serves to quantify and facilitate the City's slow-growth orientation.
8. Residents within the City of Poway tend to be relatively affluent with an average median household income at the end of the report period of \$110,468 and nearly double than the corresponding amount for all of San Diego County.
9. Residents within the City of Poway tend to encounter additional housing challenges with the average monthly mortgage and rent costs being \$2,321 at the end of the report period and almost one-half higher than the corresponding amount for all of San Diego County.
10. Residents within the City of Poway tend to be measurably older with a medium age of 45 at the end of the report period and one-third higher than the corresponding amount for all of San Diego County.
11. Residents within the City of Poway continue to experience relatively low levels of unemployment with the average at the end of the report period equaling 3.8% and more than one-quarter lower than corresponding amount for all of San Diego County.

12. Residents within the City of Poway tend to be relatively more homogenous with non-English speaking residents at the end of the report period totaling 6.7% and nearly three times lower than the corresponding rate for all of San Diego County.

5.2 Location and Characteristics of Disadvantaged Unincorporated Communities

1. There are no lands within or adjacent to the City of Poway's sphere of influence qualifying as disadvantaged unincorporated communities or DUCs under current San Diego LAFCO policy based on 2016 census information.
2. An approximate 920-acre area in San Pasqual Valley immediately north of the City of Poway sphere of influence previously qualified as a DUC under San Diego LAFCO policy based on 2010 census information. It would be appropriate for LAFCO to update the DUC program with current census information and concurrently revisit the eligibility of referenced area and potential merits and/or needs to extend municipal services as prompted under statute.

5.3 Capacity of Public Facilities and Infrastructure Needs and Deficiencies

1. The City of Poway is a full-service municipality and marked by providing five primary functions that underlie growth and development and most pertinent to San Diego LAFCO and its statutory interests: fire protection and emergency medical services; wastewater; potable water; parks and recreation; and community development.
2. San Diego LAFCO determines the five primary service functions provided by the City of Poway and identified in the preceding statement have adequate capacities and there are no critical infrastructure needs or deficiencies in meeting current or near-term demands.
3. With respect to fire protection and emergency medical services, San Diego LAFCO determines the following.
 - a) The City of Poway's integrated fire protection and emergency medical service function were inherited at the time of incorporation in 1980 from the Poway MWD. This function is categorized as structural and advance life service classes, respectively, and provided through five internal divisions: administration, suppression, fire prevention, disaster preparedness, and emergency medical services.

- b) The City of Poway's fire protection and emergency medical services are delivered out of three fire stations via contract dispatch from the City of San Diego and augmented by automatic aid agreements with surrounding jurisdictions – including, and most notably in terms of usage, San Diego, Ramona MWD, and Lakeside FPD.
 - c) Average annual demands for fire protection and emergency medical services by the City of Poway – both inside and outside the jurisdictional boundary – have stayed relatively consistent over the five-year report period with an overall average of 4,199 onsite responses each year and equivalent to 11.5 daily incidents.
 - d) The City of Poway responded on average – exclusively or in combination with outside agencies – to 98% of all onsite incidents involving fire protection and emergency medical in its jurisdictional boundary over the five-year report period.
 - e) The City of Poway has a low and decreasing dependency on outside agencies to cover fire protection and emergency medical needs within the City with an average of only 12 out of 100 onsite incidents necessitating outside aid assistance during the report period.
 - f) More than one-half – or 56.6% - of all onsite incidents responded by the City of Poway during the five-year report period resulted in ambulance transport to an area hospital. The number of ambulance transports to an area hospital has increased 0.4% across the 60-month period.
 - g) The City of Poway's fire protection and emergency medical services account for 28% of the General Fund at the end of the report period. The portion of the General Fund dedicated to fire protection and emergency medical has increased by 20% over the corresponding five-year report period.
4. With respect to wastewater services, San Diego LAFCO determines the following.
- a) The City of Poway's wastewater functions commenced in 1980 following its incorporation and becoming successor agency to the Pomerado CWD. This service function is categorized as collection only; treatment and disposal are contracted with the Cities of San Diego and Escondido.
 - b) The City of Poway's collection system extends throughout its western jurisdictional boundary as well as into portions of Rancho Bernardo and Scripps Ranch in the City of San Diego. The estimated wastewater service population at the end of the report period is

estimated at 34,266 and represents 69% of the total estimated City population.

- c) On average close to 90% of the City of Poway's collected wastewater is sent to the City of San Diego and its Point Loma Facility for treatment. The remaining flow is directed to the City of Escondido and its Hale Recovery Facility.
 - d) The average daily flows generated during the report period in the City of Poway's wastewater service area has been 2.49 million gallons with an overall change of (3%). This decrease in wastewater flow coupled with the slight increase in population suggests – among other factors – there is improved efficiencies in constituent uses.
 - e) Average daily peak-day flows over the five-year report period within the City of Poway's wastewater service area has been 2.66 million gallons. This latter amount produces a low peak-factor relative to average day demands of 1.08 and affirmatively signals minimal inflow and infiltration within the collection system.
 - f) The City of Poway finished the report period operating at 42% capacity within its wastewater service area in terms of its daily contract allowance at its principal treatment facility (Point Loma) that receives close to 90% of all City flows.
 - g) Additional information is needed to assess the relationship between demands and contracted capacities at the City of Poway's secondary treatment facility (Hale).
 - h) The City of Poway's wastewater services operate as an enterprise and supported by user charges. Actual operating expenses have increased by 23% over the report period while actual operating revenues have increased by 17%; a structural shortfall of (one-third).
5. With respect to potable water services, San Diego LAFCO determines the following.
- a) The City of Poway's potable water service function commenced in 1980 following incorporation and becoming successor agency to Poway MWD. This service function involves retail only with wholesale provided by the San Diego County Water Authority.
 - b) The City of Poway's potable water service function covers close to two-thirds of the City's jurisdictional boundary. The estimated water service area population at the end of the report period is 37,740 and represents 76% of the total estimated City population.

- c) The City of Poway is dependent on potable water supplies imported from the San Diego County Water Authority and augmented by a relatively small amount of runoff in Lake Poway. The maximum available annual supply based on Poway infrastructure is 15,448 acre-feet or 4.9 billion gallons and further divided into a daily capacity of 13.8 million.
 - d) Annual demands within the City of Poway's potable water service area have averaged 9,281 acre-feet during the report period with an overall change of (8%). This average demand equals 60% of Poway's accessible supplies.
 - e) Per capita usage within the City of Poway's potable water service area has decreased by (9%) over the report period from an estimated 163 gallons to 153 gallons. It is unknown the portion of this daily use that is dedicated to indoor use and accordingly the State of California's advisory target to limit per capita usage to 55 gallons.
 - f) Average peak-day demands within the City of Poway's potable water service area over the report period equal 88% of accessible supplies and have increased by one-fifth. This trend merits ongoing attention and may warrant Poway to expand its treatment capacity to protect against overtaxing storage supplies during high usage periods.
 - g) Total storage within the City of Poway's potable water service area is 18.1 million gallons or 55.5 acre-feet and can accommodate up to 6.7 consecutive days of average day demands generated during the report period without recharge.
 - h) The City of Poway's potable water services operate as an enterprise and supported by user charges. Actual operating expenses have increased by 8% over the report period while actual operating revenues have increased by 15%; a structural surplus of four-fifths.
6. With respect to parks and recreation services, San Diego LAFCO determines the following.
- a) The City of Poway's parks and recreation function commenced at the time of its incorporation in 1980 and categorized into eight classes: recreation; aquatics; community parks; interpretive services; lake operations; library; cultural; and urban forestry.
 - b) The City of Poway's parks and recreation function has substantively evolved from an initial focus on traditional recreation (parks, playgrounds, etc.) to now include municipal open-space and a variety of cultural amenities and marked by operating the Poway Center for Performing Arts and Kumeyaay-Ipai Interpretive Center.

- c) The City of Poway continues to invest in parks and recreation and headlined during the report period by completing the design and initiating construction of the \$13.2 million budgeted Mickey Cafagna Community Center.
 - d) With 22 different park sites that collectively comprise 291 acres, the City of Poway finished the report period with almost six acres per 1,000 residents and – pertinently – double the minimum ratio required under State law (Quimby Act).
 - e) The average budgeted costs of the City of Poway's parks and recreation functions during the report period has been \$8.27 million and accounts for nearly 20% of all budgeted General Fund monies during the report period.
 - f) On a proportional basis, the City of Poway budgets \$118 per person for parks and recreation through its General Fund at the end of the report period. This amount is well above the \$93 average ratio among all 18 cities and fourth highest in San Diego County.
7. With respect to community development services, San Diego LAFCO determines the following.
- a) The City of Poway assumed the community development function at the time of incorporation in 1980 through the transfer of land use control from the County of San Diego. This function is categorized into two broad classes: planning and engineering.
 - b) The City of Poway's community development function and associated classes are principally guided by the City General Plan, which was last updated in 1991.
 - c) It would be timely for the City of Poway to proceed with an update to the General Plan (1991) to reflect changes in State planning law as well as to reflect potential changes in community vision. An update to the General Plan also – pertinently – will aid San Diego LAFCO align its regulatory and planning duties in step with current local conditions.
 - d) The City of Poway averaged 57 development review applications annually during the report period. Overall, annual applications have increased by 18% and reflects an improving economy and investment in new construction during the 60-month period.
 - e) The City of Poway averaged 2,344 building permit issuances annually – or 6 daily – during the report period. Overall, annual permits have increased by 24% and suggests – among other factors – increased landowner equity in real property to fund improvement projects.

- f) The ability of the City of Poway to appropriately accommodate housing at all levels is a key performance measurement in considering community development services as part of the municipal service review process. With this context, the following statements apply.
 - i. The City of Poway received approval for its current Housing Element (2013-2020) from the State and the accommodation therein of 1,253 new housing units as part of the Regional Housing Needs Allocation process or RHNA.
 - ii. Of this total allocation, only 194 – or 15.5% – of the housing units have been permitted for construction through the end of the report period.
 - h) The limited progress in building housing in the City of Poway relative to quantifiable need suggests City policies and procedures should be revisited and revised as appropriate to more effectively meet the housing needs for persons and families of all incomes.
 - i) The City of Poway’s General Fund represent the single largest revenue source for community development functions. The average annual amount allocated to community development services during the report period equals close to 10% of all budgeted City General Fund monies.
8. The City of Poway provides several other pertinent municipal functions directly or indirectly (contracts and franchise agreements) that support growth and development. This includes animal control, electricity and natural gas, law enforcement, public transportation, solid waste, stormwater and flood control, street maintenance, and telecommunications.
9. San Diego LAFCO should expand the analysis in the next scheduled municipal service review covering the City of Poway to more fully address these other functions and in doing so provide a more complete accounting of public services in the City consistent with statutory intent.

5.4 Agencies’ Financial Ability to Provide Services

- 1. The City of Poway improved its overall financial standing during the report period as measured by its audited net position increasing by one-tenth from \$215.8 to \$237.0 million.
- 2. The spendable balance within the City of Poway General Fund at the end of the report period covers 12 months of typical operating expenses and is more than double the City Council’s policy to maintain a reserve of no less than 45%.

3. A structural imbalance shows within the City of Poway's General Fund during the report period with the change in actual expenses outpacing the change in actual revenues by more than one-half – or 55%.
4. The City of Poway has established a substantive and increasing sales tax base with actual revenues equaling nearly one-third of all General Fund revenues during the report period. Poway collects the sixth highest amount of sales tax on a per capita basis at \$298 among all 18 cities in San Diego County at the end of the report period.
5. Standard diagnostic measurements used in assessing the City of Poway's liquidity, capital, margin, and structure levels shows varied results during the report period but generally at or above industry standards. With this context, the following statements apply.
 - a) Liquidity levels are high despite recent declines over the 60-month period. The amount of days' cash available to the City of Poway decreased by (16%) from 1,115 to 935.
 - b) Capital levels remained generally stagnant during the 60-month period with the City of Poway's debt load remaining manageable and under 30% relative to net assets.
 - c) The total margin – i.e. the bottom line – for the City of Poway fluctuated during the 60-month period but finished with an overall positive average of 2%.
 - d) The replacement rate of capital infrastructure (i.e. buildings, equipment, etc.) has fallen and decreased by one-fourth during the 60-month period from 24 to 29 years.
6. The City of Poway's composite funded ratio for pension obligations at the end of the report period finished at 70% based on market value and below industry standards. The ratio has also slightly decreased by (0.4%) over the 60-month period despite a corresponding increase of one-fifth in annual pension payments made by the City.
7. Public safety costs represent the largest demand on the City of Poway's General Fund and accounted for 55% of all budgeted expenses at the end of the report period. Overall, the portion of the General Fund dedicated to public safety expenses has increased by one-fifth over the corresponding 60-month period.
8. San Diego LAFCO should revisit fire protection and emergency medical services and costs in the City of Poway as part of an update to the Commission's countywide fire service study.

5.5 Status and Opportunities for Shared Facilities and Resources

1. The City of Poway has established responsive shared resources with other public agencies in fulfilling their responsibilities to provide specified municipal functions to their constituents. This includes, markedly, cooperative partnerships with neighboring agencies to share and economize resources in the provision of fire protection and emergency medical through auto-aid agreements as well as contracting for wastewater treatment.

5.6 Local Accountability and Government Restructure Options

1. The comprehensive reorganization of the region in 1980 with the incorporation of the City of Poway and the concurrent dissolution of five special districts has proven successful in syncing land use and municipal service planning under one cohesive governmental unit. The reorganization has empowered the City Council to pace growth within the City while also curbing fringe developments in the adjacent unincorporated areas by controlling core urban-supporting service functions in the region and most notably water and wastewater.
2. The City of Poway operates as a general-law municipality and draws on corporate and police powers established by the State Legislature. The City Council utilizes three standing committees comprised of resident appointees to further inform decision-making: (a) Budget Review; (b) Parks and Recreation; and (c) Traffic Safety.
3. The City of Poway Council regularly meets on the first and third Tuesday each month at 7:00 P.M. with live and recorded online streaming services and in doing so provides sufficient opportunities for constituent engagement in the decision-making process.
4. The City of Poway maintains a comprehensive and user-friendly website that meets all requirements recently established by the Legislature for local government agencies (Assembly Bill 2257 and Senate Bill 939) and helps expedite timely information sharing.
5. Senior management for the City of Poway proved responsive and helpful in the preparation of this report and reflects a high-level of organizational aptitude and efficiency.
6. Other local agencies that provide one or more municipal services directly in the Poway region include Palomar Healthcare District and Pomerado Cemetery District and will be addressed by San Diego LAFCO as part of separate and future municipal service reviews.

7. No reorganization alternatives have been identified by San Diego LAFCO that merit analysis at this time. It would be appropriate, nonetheless, for LAFCO to revisit potential opportunities in conjunction with completing future projects, including upcoming municipal service reviews on other local agencies in the region as well as updating the countywide fire service study.
8. San Diego LAFCO should proceed to update the City of Poway's sphere of influence with no changes. LAFCO should also defer consideration of any interim requests for sphere amendments unless special and unexpected circumstances warrant otherwise.

CHAPTER THREE | AGENCY PROFILE

CITY OF POWAY

1.0 OVERVIEW

The City of Poway is a general law municipality incorporated in December 1980 and self-identified as the “City in the Country.” Incorporation proceedings were initiated by the County of San Diego following two unsuccessful attempts at cityhood in the 1970s and done so in response to increasing community interest to further localize land use decision-making. Incorporation also included the reorganization and dissolution of five special districts with Poway serving as successor agency and assuming pre-established water, wastewater, and fire protection services in the community. Poway is fourth largest municipality in terms of size and encompasses an approximate 39-square mile jurisdictional boundary within inland-central San Diego County and immediately adjacent to the west and south by the City of San Diego and the unincorporated community of Ramona to the east. Close to one-third of the jurisdiction has been set aside as preserved natural open-space and this includes Lake Poway, which doubles as a prominent recreational site as well as a municipal water reservoir. Governance is provided by a five-member Council with a directly elected Mayor. The average tenure on the Council among current members is six years with the longest tenures belonging to Dave Grosch and John Mullin at 10 years.



Poway is a full-service municipality with limited exceptions, and this includes the City directly providing – and of specific interest to LAFCO – community planning, water, wastewater, fire protection and emergency medical services, and parks and recreation. Notable exceptions involve police and animal control, which are both provided by contracts with the County of San Diego and the San Diego Humane Society, respectively. The operating budget at the term of the report period (2018-2019) was \$88.7 million and has increased over the corresponding 60-month period by 14.3%. The last audited financial statements cover 2018-2019 and show the agencywide net position totaling \$236.9 million with unrestricted portion tallying \$71.5 million. The spendable balance within General

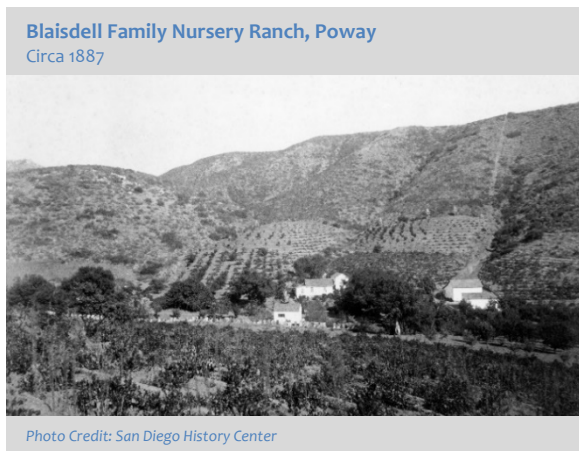
Fund totaled \$50.8 million and represents the equivalent of covering 12 months of operating expenses based on recent actuals.⁷

LAFCO independently estimates the fulltime resident population within the City of Poway is 49,704 as of the term of the report period. It is also projected the estimate of fulltime residents represents an overall increase of 1,728 since 2010 – or 192 annually – with a resulting annual growth rate of 0.40%, which is less than one-half the corresponding countywide rate of 0.86%. The median household income within the City is \$102,338 based on the most recent five-year period average and is more than one-half – or 53.8% – higher than the countywide average of \$66,529. There are no disadvantaged unincorporated communities adjacent to the City’s boundary or sphere of influence.

2.0 BACKGROUND

2.1 Community Development

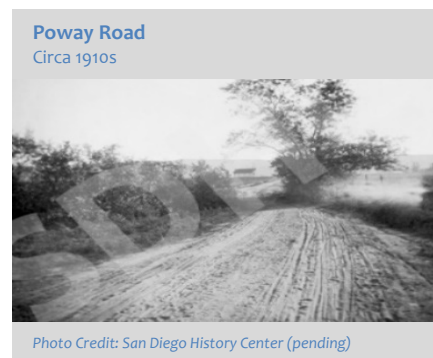
The area comprising the City of Poway began its present-day development in the late 1700s as migrants arrived with the establishment of rule by Spain and later Mexico as successors to indigenous Diegueno and Luiseno bands that had previously resided in the Poway Valley (Pauwai). A Mexican grant covering most of the area titled Rancho Paguai was issued to Rosario Aguilar in 1839, but later rescinded. The substantive result of the grant being voided was the immediate division and development of the area by various homesteaders in step with the end of the Mexican-American War in 1848 and California’s statehood in 1850. One of these early homesteaders was the Blaisdell family and are credited with opening the first commercial nursery business in San Diego County.



Blaisdell Family Nursery Ranch, Poway
Circa 1887

Photo Credit: San Diego History Center

The first official census for the Poway “township” was performed in 1870 and estimated the total number of residents at 91.⁸ The population increased to an estimated 256 as part of the 1900 census with most of the area under agricultural use and highlighted by large plantings of table grapes and orchards given frost-free conditions and internally connected by Poway Road. Early travel in and out of the area, however, was largely limited to one road



Poway Road
Circa 1910s

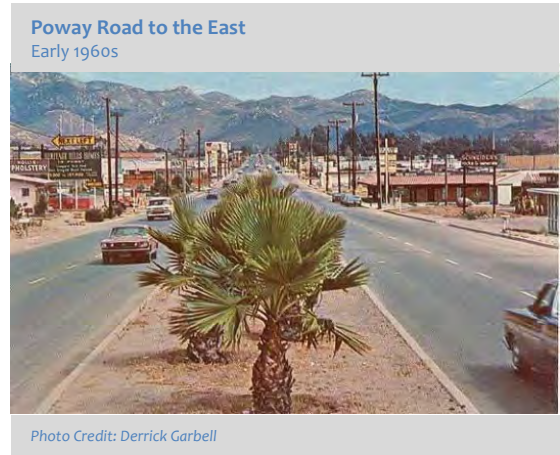
Photo Credit: San Diego History Center (pending)

⁷ Actual operating expenses within the General Fund totaled \$50.1 million in 2018-2019.

⁸ The entire census population estimate for San Diego County was 4,951 in 1870.

(Pomerado Road) with no nearby railroad lines. The combination of agricultural productivity with limited access to the area curbed additional growth and the Poway township was removed as a census designation for most of the first half of the 20th Century.

The end of World War II and the associated societal changes marked a pivot for Poway as it began to transition from agriculture towards suburban uses. This transition towards more urban uses also necessitated the establishment of local municipal services. Most notably, this included the formation of the Poway Municipal Water District (MWD) in 1954 to provide retail water service as a new member of the San Diego County Water Authority through its own contracted supply to the Colorado River via the Metropolitan Water District of Southern California.⁹ Wastewater services were also subsequently established with the formation of the Pomerado County Water District (CWD) in 1957.



Interest in incorporation followed in the early 1960s first as a response to a failed proposal to annex Poway to the City of San Diego in 1963. The annexation proposal had been approved by LAFCO but rejected by voters. The community of approximately 8,200 proceeded to explore self-governance and led to an initial incorporation attempt in 1972 but terminated due to a lack of qualifying petition signatures. A second incorporation attempt was made in 1976 with the prerequisite number of petition signatures as well as approval from LAFCO but rejected by voters with only 36% in favor of cityhood.



2.2 Incorporation Proceedings

Beginning in 1979, the County of San Diego began preparing incorporation proposals for Poway, Santee, and Fallbrook as part of a County General Plan policy to facilitate cityhood for areas with sufficient revenues to support stand-alone municipal service activities. The incorporation proposals for Poway and Santee were completed together and approved by the Board of Supervisors in March 1980 and forwarded for LAFCO consideration. LAFCO conditionally approved the Poway incorporation in June 1980 as a council-manager government along with the concurrent dissolution

⁹ Poway MWD was also empowered at the time of its formation to provide fire protection and emergency medical services.

and conveyance of duties of five pre-existing special districts: Poway MWD (water and fire protection); Pomerado CWD (wastewater); Orchard Water District (water); County Service Area No. 5 (road maintenance); and County Service Area No. 48 (park and recreation). Conditions were satisfied in November 1980 when registered voters in Poway approved incorporation by 52.8% to 47.2% along with electing an initial five-member City Council.¹⁰ The effective date of incorporation was also set to December 1, 1980.

2.3 Post-Incorporation Proceedings

A summary of notable activities undertaken by the City of Poway and/or affecting the City's service area following its incorporation in 1980 is provided below.

- The City of Poway adopts a Comprehensive Plan in October 1983. The Comprehensive Plan includes under one cover a General Plan and Zoning Ordinance.
- The Poway Business Park along Scripps Poway Parkway begins developing in the late 1980s and subsequently spans to include more than 400 businesses and approximately 17,000 jobs.
- LAFCO establishes a sphere of influence for the City of Poway in August 1985. The sphere is set to include all incorporated lands along with approximately 3,400 unincorporated acres to the immediate east of the City. An approximate 1,515-acre special study area is also established to the southeast of the City involving Sycamore Canyon.
- Proposition FF is approved in 1988 and requires voter approval in the City of Poway to upzone and/or rezone any lands designated as open space or rural resident in the City General Plan.
- A major review and update to the Poway Comprehensive Plan is adopted by the City of Poway in November 1991 and includes new Public Facilities, Transportation, Resources, Public Safety and Housing Elements.
- LAFCO updates the City of Poway's sphere of influence in August 2005 with no changes while also removing the Sycamore Canyon special study area. The sphere is subsequently reviewed and updated with no changes again in March 2008.
- The City of Poway adopts an updated Housing Element in May 2013 to comply with the State Department of Housing and Community Development or "HCD." This update covers 2013-2020. The next Housing Element update is currently under preparation and must be certified by HCD in April 2021.

¹⁰ The initial elected members of City Council consisted of Bob Emery, Bruce J. Tarzy, Clyde Rexrode, Mary L. Shepardson, and Linda L. Oravec.

3.0 BOUNDARIES

3.1 Jurisdictional Boundary

The City of Poway’s existing jurisdictional boundary spans approximately 39 square miles and covers 25,039 acres (parcels, water bodies, and public rights-of-ways). This makes Poway the fourth largest of the 18 incorporated communities in San Diego County. Poway borders the City of San Diego on two sides and this includes the neighborhoods of Scripps Ranch to the south and Rancho Bernardo to the west. The City of Escondido lies to the far north while the unincorporated communities of Ramona and San Pasqual Valley lies to the east. Poway is one mile east of Interstate 15 and directly links the City to the San Diego, Riverside, and San Bernardino metropolitan areas. Elevation ranges from 480 to 2,250 feet above sea level. There were 30,875 registered voters in Poway at the end of the report period.

The City of Poway’s jurisdictional boundary currently spans 39 square miles and covers 0.9% of all of San Diego County. The jurisdictional boundary is whole and does not include any unincorporated islands.

Poway’s jurisdictional boundary has remained relatively static since incorporation in 1980. The only changes to the jurisdictional boundary involved Poway’s successful annexation of three non-contiguous areas totaling 1,325 acres in 1986. This lone annexation, notably, facilitated the expansion of Poway’s park and recreation program and part of an agreement with Bureau of Land Management for the City to assume management of the open space lands. Three other proposals involving annexations to Poway were subsequently filed with LAFCO but separately withdrawn by the applicants. Poway does not include any entirely or substantially surrounded unincorporated islands.

Total assessed value (land and structure) in Poway’s jurisdictional boundary is \$10.9 billion for the 2019-20 assessment year. and translates to \$0.431 million for every acre within the City. The former amount further represents \$0.218 million in assessed value for every resident based on the estimated population of 49,539. The assessed value in Poway has also increased by 23% over the five-year report period based on \$8.9 billion in assessed valuation for the 2014-15 assessment year. Poway receives 5.2% on average of the annual 1.0% of property tax collected within the City and based on over 200 distinct tax assignments within the jurisdictional boundary.

The City of Poway’s total assessed value increased from \$8.9 billion to \$10.9 billion during the five-year report period; a difference of 23%. Poway collects \$5 for every \$100 collected in property tax.

The jurisdictional boundary is currently divided into 16,185 assessor parcels for tax purposes totaling 23,604 acres.¹¹ Slightly more than three-fourths of the assessor parcel acreage is under private

There are more than 1,000 existing parcels covering 3,277 acres within the City of Poway that are privately owned and entirely undeveloped.

¹¹ The remaining acreage within the jurisdiction – 1,435 acres – consists of public right-of-ways and related dedications – including water bodies.

ownership with 82% already developed, albeit not necessarily at the highest zoning density allowed. The remainder of private acreage in Poway is entirely undeveloped and consists of 1,023 vacant parcels that collectively total 3,277 acres.

City of Poway Boundary Breakdown of Assessor Parcels Table 3.1a (Source: Esri and San Diego LAFCO)					
Total Parcel Acreage	Parcel Acreage Privately Owned	Privately Owned and Developed Acreage	Privately Owned and Undeveloped Acreage	Total Assessed Value in 2014	Total Assessed Value in 2019
23,604	17,992 or 76.2%	14,715 or 81.8%	3,277 or 18.2%	\$8.9 billion	\$10.9 billion

With respect to germane land use policies within the jurisdictional boundary, the City of Poway’s General Plan goals include preserving a balance between the community’s rural character and well-planned residential/commercial/industrial development. The General Plan calls for maintaining most of Poway’s land as open space to provide the community with a natural buffer. An additional 5% of the land is designated for agriculture. Most of the open space is located in the foothills that surround Poway. Other open space areas include Lake Poway, the Blue Sky Ecological Reserve, and the Twin Peaks and Boulder Mountain areas. Residential growth is anticipated primarily within the low-density single-family category through 2040. However, the hilly topography and lack of municipal services in designated very low-density areas generally results in few developed sites. Additional information is footnoted.¹²

The City of Poway’s motto is “City in the Country” and it places a premium on preserving open space land and keeping the City’s rural character.

3.2 Sphere of Influence

The City of Poway’s sphere of influence was established by LAFCO in August 1985 with a “larger-than-agency” designation. This inaugural designation included all the jurisdictional boundary as well as approximately 3,400 unincorporated acres along Poway’s eastern boundary and highlighted by portions of Iron Mountain and Los Penasquitos Canyon. (An additional 11,500 unincorporated acres to the east – including Hidden Valley, Starvation Mountain, and Mount Woodson – were considered for inclusion in the sphere at the request of Poway to align with the City General Plan but ultimately excluded by LAFCO.)

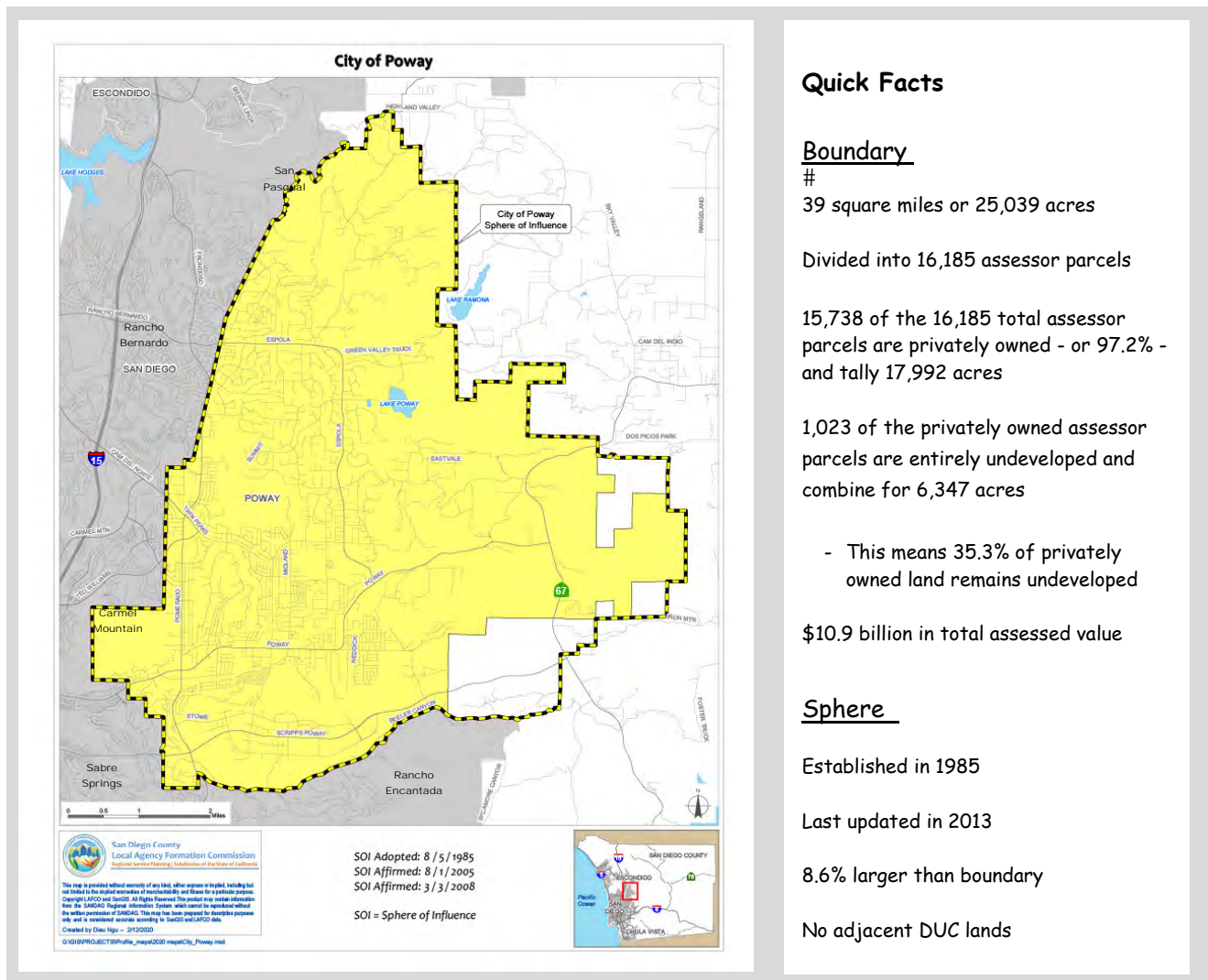
The City of Poway’s sphere of influence includes all incorporated lands as well as 2,114 non-jurisdictional acres. The last LAFCO review of the sphere was completed in 2008.

¹² Poway experienced a significant increase in commercial and light industrial development over the past twenty years, primarily in the 900-acre Poway Business Park. The Business Park has 9 million square feet of building space for light industrial and manufacturing uses, warehousing and distribution, and research and development businesses. Currently, over 400 businesses with more than 17,000 employees are located in the Business Park. New commercial and industrial development is expected to be in existing parcels and infill development conversions, primarily along Poway Road.

LAFCO also established a special study area to include 1,515 acres of unincorporated land to the southeast known as Sycamore Canyon. LAFCO subsequently reviewed and updated Poway’s sphere of influence in 2005 and 2008 without any changes while also eliminating the special study area involving Sycamore Canyon given the prior development plans for the area was abandoned. Overall, and adjusting for the annexations approved by LAFCO in 1986, there are currently 2,144 non-jurisdictional lands in the sphere and comprise 89 assessor parcels.

There are no lands within or adjacent to the City of Poway’s sphere of influence qualifying as disadvantaged unincorporated communities or DUCs under LAFCO policy.¹³

3.3 Current Boundary and Sphere Designations



¹³ DUCs are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income and as further prescribed under LAFCO policy.

4.0 DEMOGRAPHICS

4.1 Population and Housing

The City of Poway’s fulltime resident population within its jurisdictional boundary is independently estimated by LAFCO at 49,539 as of the term of the five-year report period. This estimate represents 1.5% of the countywide total. It is also estimated the overall resident population has risen by 3.6% – or 1,728 – from 47,811 and the last census reset in 2010. This translates to an annual population change of 0.40% and is about one-half lower than the corresponding growth rate of 0.86% for the entire county. The current estimate also produces a population density of 2.0 residents for every one acre. It is projected the current growth rate will generally maintain in the near-term and result in Poway’s resident population increasing by 999 – or 200 each year – and reach 50,538 by 2024.

It is estimated there are 49,539 fulltime residents within the City of Poway with an annual change of 0.40% during the five-year report period. It is also estimated Poway’s population will similarly increase over the next five-years and add 200 residents per year and reach 50,538 by 2024.

City of Poway Resident Population				
Table 4.1a (Source: Esri San Diego LAFCO)				
Factor	2010 Estimate	2019 Estimate	Annual Change	2024 Projection
City of Poway	47,811	49,539	0.40%	50,538
San Diego County	3,095,264	3,333,975	0.86%	3,479,823

LAFCO separately estimates 17,100 residential dwelling units within Poway’s jurisdictional boundary through the term of the report period. This amount represents an increase of 385 since 2010 for an annual gain of 43 units. With respect to housing characteristics within Poway, and based on five-year averages, 72% are owner-occupied, 26% are renter-occupied, and the remaining 2% vacant. The average household size is 3.0 and marks a minimal change over the preceding period average of 2.9. The median monthly housing cost, dissimilarly, has decreased by (6.5%) over the preceding period from \$2,483 to \$2,321. The median housing costs, nonetheless, remains well above the countywide average of \$1,578.

Housing production in the City of Poway currently totals 17,100 dwelling units; an amount that has increased by 385 since 2010. The average monthly housing cost in Poway is \$2,321 and almost one-half – 47.1% – higher than corresponding average in all of San Diego County.

**City of Poway
Housing Characteristics**

Table 4.1b: (Source: Esri and San Diego LAFCO)

Factor	City of Poway	San Diego County
2010 Housing Units	16,715	1,164,766
2019 Housing Units	17,100	1,233,127
... Net Change	+385	+68,361
Household Size (5-year average 2007-2011)	2.95	2.79
Household Size (5-year average 2012-2016)	3.04	2.87
... % Change	3.05%	2.88%
Monthly Housing Cost (5-year average 2007-2011)	\$2,483	\$1,540
Monthly Housing Cost (5-year average 2012-2016)	\$2,321	\$1,578
... % Change	(6.53%)	(2.47%)
2010 Vacancy Rate	3.51%	6.69%
2019 Vacancy Rate	2.20%	5.45%
... % Change	(37.30%)	(18.53%)

4.2 Age Distribution

The median age of residents in the City of Poway is 44.5 based on the current five-year period average. This amount represents an overall increase of 2.1% from 43.6 over the preceding five-year period average; it is also more than one-third – or 35.4% - higher than the countywide average of 35.3. Residents in the prime working age group defined as ages 25 to 64 also make up more than one-half of the total population at 53.2% and represents a further separation of three-fold from the countywide total of 47.0% during the two periods.

The City of Poway residents tend to be significantly older relative to countywide average at 44.5 compared to 35.3.

**City of Poway
Median Age**

Table 4.2a: (Source: American Community Survey)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	43.55	44.46	2.09%
San Diego County	34.60	35.30	2.02%

**City of Poway
Prime Working Age, 25-64**

Table 4.2b: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	55.42%	53.21%	-3.99%
San Diego County	53.4%	47.0%	-11.99%

4.3 Income Characteristics

The median household income in the City of Poway is \$110,468 based on the current five-year period average. This amount represents an overall decrease of (3.4%) from the preceding five-year period average of \$115,001. The current median household income, nonetheless, remains nearly double more than the countywide average amount of \$66,529 and one of the highest averages among the 18 cities in San Diego County. Separately, the current average rate of persons living below the poverty level in Poway is 6.3% and more than double below the countywide average of 14.0%.

The City of Poway has maintained a relatively high household incomes as well as low poverty rates compared to countywide averages during the five-year report period. Markedly, the current median household income average of \$110,468 is the 3rd highest tally among all 18 incorporated communities.

City of Poway Median Household Income			
Table 4.3a: (Source: American Community Survey and San Diego LAFCO)			
Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	\$115,001	\$110,468	(3.94%)
San Diego County	\$63,857	\$66,529	4.20%

City of Poway Poverty Rates			
Table 4.3b: (Source: American Community Survey and San Diego LAFCO)			
Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	5.09%	6.25%	22.89%
San Diego County	13.00%	14.00%	7.69%

4.4 Socioeconomic Indicators

Unemployment levels within the City of Poway remain relatively low at 3.8% based on the current five-year average and almost one-quarter lower than the countywide amount of 4.9%. Unemployment levels within Poway also continue to improve and have decreased by (10.1%) over the preceding five-year period average. More than one-half – or 51.9% – of residents in Poway 25 years or older also hold bachelor’s degrees based on the current average and more than two-fifths above the countywide amount of 36.5%. There has also been a sizeable increase over the two

Residents within the City of Poway continue to experience relatively low levels of unemployment with a current average of 3.8% and more than a full percentage point below the countywide average of 4.9%. Current statistics also show Poway residents are substantively more likely to have bachelor’s degrees and telework relative to countywide averages.

periods in the number of residents teleworking from 6.7 to 9.1%; a difference of 35.9% and more than double the countywide change. Non-English speakers in Poway currently equal 6.7% of all residents.

City of Poway Unemployment Rates

Table 4.4a: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	4.20%	3.77%	(10.05%)
San Diego County	5.60%	4.90%	(12.50%)

City of Poway Four-Year College Graduates

Table 4.4b: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	49.60%	51.89%	4.62%
San Diego County	34.2%	36.5%	6.73%

City of Poway Working from Home

Table 4.4c: (Source: American Community Survey and San Diego LAFCO)

Category	Past Average 2007-2011 Period	Current Average 2012-2016 Period	Change %
City of Poway	6.70%	9.11%	35.97%
San Diego County	6.00%	7.00%	16.67%

5.0 ORGANIZATION

5.1 Governance

The City of Poway operates as a general-law municipality and draws on uniform powers established by the State Legislature as part of a council-manager system of government. Decision-making authority under this system is equally distributed among Poway’s five-member City Council and consists of a directly elected Mayor and four Councilmembers representing equally populated areas – or districts – within the City with the latter the result of an October 2017 action.¹⁴ A Deputy Mayor is selected on an annual basis. Compensation is based on the provisions of State law with the Mayor currently provided an annual salary of \$23,069 compared to \$16,473 for Councilmembers.¹⁵ Summary

The City of Poway Council regularly meets on the first and third Tuesday each month at 7:00 P.M. in the Council Chambers located at 13325 Civic Center Drive in Poway (92064).

¹⁴ On October 3, 2017, the Poway City Council adopted an ordinance establishing by-district elections for offices of council members consistent with best practices and align more closely to the intent of California Voting Rights Act with respect to enfranchising more constituents.

¹⁵ The mayor and councilmembers also receive similar pension and healthcare benefits.

minutes are prepared for all meetings; audio and video recordings are also produced and posted online. A listing of current City Council members and their respective backgrounds follows.

City of Poway City Councilmembers			
Table 5.1a: (Source: City of Poway)			
Member	Title	Background	Initial Council Year
Steve Vaus	Mayor	Recording Artist	2012
Caylin Frank	Deputy Mayor	Local Government Analyst	2018
Dave Grosch	Councilmember	Finance	2010
Barry Leonard	Councilmember	Small Business Owner	2016
John Mullin	Councilmember	Contractor	2010
Average Experience on the Council			7 years

The City Council utilizes three standing Committees to further inform decision-making. These Committees are identified below along with descriptions of their delegated tasks.

- The Budget Review Committee was established by the City Council to review and provide advisory input – including preparing a formal report – on the annual budget process during the spring months. The Budget Review Committee comprises five members that are appointed by the City Council and serve two-year terms with eligibility for reappointments. The Finance Department provides staffing for the Budget Review Committee with the City Manager or their designee serving as an ex officio member. No compensation is provided.
- The Parks and Recreation Advisory Committee was established by the City Council to provide advisory input on community amenities in Poway as needed. The Parks and Recreation Committee comprises five members that are appointed by the City Council and serve until two-year terms with eligibility for reappointments. No compensation is provided.
- The Traffic Safety Committee was established by the City Council to provide coordinated review and input on auto, bicycle, and pedestrian circulation and related safety issues in Poway as needed. The Traffic Safety Committee comprises staff members drawn from Poway, Poway Unified School District, and County of San Diego Sheriff.

5.2 Administration

The City of Poway Council appoints an at-will City Manager to oversee all City activities and make individual department hires. The current City Manager – Christopher Hazeltine – was appointed in April 2019 and oversees six municipal departments: community services; development services; finance; human resources; public works; and fire. The total number of budgeted positions at the end of the five-year report period was 251.2 fulltime equivalent employees with an overall change of 5.9% during the corresponding 60-month period. A breakdown of total budgeted positions during the report period follows.



City of Poway Budgeted Staffing Levels Table 5.2a (Source: City of Poway)						
FY2014-2015	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019	Average	Trend
237.3	248.3	249.8	251.6	251.2	247.6	5.9%
4.87 staff per 1,000 residents	5.07 staff per 1,000 residents	5.08 staff per 1,000 residents	5.10 staff per 1,000 residents	5.07 staff per 1,000 residents	4.87 staff per 1,000 residents	4.2%

* Figures represent full-time equivalent (FTE) based on 2,080 hours/year.

6.0 MUNICIPAL SERVICES

The City of Poway directly provides a full range of municipal services within its jurisdictional boundary. This report and succeeding analysis focus on six specific service functions underlying Poway’s growth and development and of particular interest to LAFCO. These specific service functions are (a) integrated fire protection and emergency medical services; (b) wastewater; (c) potable water; (d) park and recreation; (e) community development; and (f) other – street maintenance, storm water, and flood control. Notable exceptions involve police and animal control, which are both provided by contracts with the County of San Diego and the San Diego Humane Society, respectively. A summary analysis of these service functions follows with respect to capacities, demands, and performance.

6.1 Fire Protection and Emergency Medical Service

The Poway Municipal Water District (MWD) established formal and integrated fire protection and emergency medical services in present day Poway in 1961. These services were initially organized on an all-volunteer basis before transitioning to a combination career/reserve model in the late 1960s. This arrangement continued through 1980 when fire protection and emergency medical service function were transitioned to the City of Poway as successor agency to Poway MWD following incorporation and establishment thereafter of the City’s Safety Services Department. The Safety Services Department was subsequently separated in 2019 into two more traditional agencies: a Fire Department run by a Fire Chief reporting to the City Manager and a separate contract law enforcement function supervised by the City Manager’s office and provided by the County Sheriff.¹⁶

The City of Poway’s integrated fire protection and emergency medical service function were inherited at the time of incorporation in 1980 from the Poway MWD. This function is further categorized as structural and advance life service classes (ALS), respectively.

Service Capacities and Related Resources

The City of Poway’s fire protection and emergency medical services’ capacities are currently staffed by 57 budgeted fulltime employees and include 53 public safety (i.e. firefighter) personnel. The current Fire Chief – Jon Canavan – was appointed in July 2019 and responsible for overseeing five functional divisions: administration; suppression; fire prevention; disaster preparedness; and emergency medical services with additional details in the accompanying footnotes.^{17 18} All five division are delivered out of three fire stations and an administrative office located within Station No. 1. Poway also maintains two classrooms and a fire training tower complex to support the manipulative training and professional development activities of first responders and staff.

¹⁶ On direction from the Poway MWD, San Diego LAFCO completed a 1978 needs assessment to evaluate station location, apparatus, and personnel needs for the community and a bond issue was placed on the ballot to relocate both Station One and Station Two and to purchase new apparatus. The bond issue passed with 79% of the voters in favor, and Station One and Station Two were moved to their existing locations.

¹⁷ The Fire Prevention Division is responsible for the application of statutes, laws and regulations to safeguard the public health, safety and general welfare from the hazards of fire, explosion or dangerous conditions in new and existing buildings, structures and premises, and to provide safety and assistance to firefighters and emergency responders during emergency operations. Management is provided by the Deputy Fire Chief who serves as the City’s fire code official, also referred to as Fire Marshal. Additional staffing includes a Senior Fire Safety Inspector, a Fire Safety Inspector, and contract Fire and Life Safety Plan Review/Inspection services. The Esgil Corporation, also the City’s contract Building Department, provides these services. [The Division receives clerical support from the department’s Senior Administrative Assistant.](#) Key responsibilities include conducting fire and life-safety inspections of businesses, multifamily residential occupancies, educational, institutional, and permitted facilities. Additional duties include performing fire safety clearance inspections of preschools, licensed facilities assigned by the State’s Community Care Licensing Division and manages a Fire Company Inspection Program where first responders perform fire and life-safety inspections of low-hazard businesses.

¹⁸ City of Poway Fire Department performs annual fire and life-safety inspections of all state-mandated occupancies and of all non-residential occupancies annually. Within the Fire Department is where the City’s disaster preparedness efforts are managed. The City maintains an Emergency Operations Plan (EOP) that provides guidance for a coordinated and integrated response to a disaster in San Diego County. In addition to managing the City’s EOP, disaster preparedness includes the coordination of volunteer groups, training City staff and volunteers, coordinating emergency care & shelter preparations, delivery of community education, and seeking grant funding. Disaster preparedness activities are an important priority of the City Council and are managed by a Management Analyst – Disaster Preparedness Coordinator who reports to the Fire Chief.

Poway’s three fire stations are continuously staffed by a force of 17 firefighting / emergency medical personnel across three shifts for a total of 51 personnel. All 51 personnel are licensed emergency medical paramedics and work on-and-off 24-hour shifts. After working four shifts, personnel alternate between four or six days off. The two administrative chief officers are also categorized as public safety and work traditional 40-hour work weeks and respond to emergencies as needed. Additional staffing assignments are footnoted.¹⁹ Overall, staffing levels have remained generally consistent over the five-year report period with a 60-month average of 0.87 personnel budgeted for every 1,000 residents in Poway.

City of Poway Fire Protection and Emergency Medical Staffing - Budgeted Table 6.1a: (Source: City of Poway)							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Public Safety	52	53	53	53	53	53	Same
Non-Public Safety	4	4	4	4	4	4	Same
Total	56	57	57	57	57	57	Same
Per 1,000 Residents	0.88	0.87	0.87	0.87	0.87	0.87	Same

Actual fire protection and emergency medical services are delivered out of three City of Poway fire stations via contract dispatch and data services from the City of San Diego Fire-Rescue Department.²⁰ Station details follow.

- Station No. 1 is located in southern Poway at 13050 Community Road near the Poway Road intersection. This is considered the main City of Poway Fire station, where administrative offices are located and six public safety personnel are assigned there at all times.²¹ The station was built in 1980. Responses to an average of 55% of all onsite incidents, over the five-year report period, have come from Station No. 1.
- Station No. 2 is located in north Poway at 16912 Westling Court near the Espola Road intersection. The station was built in 1980. Poway currently assigns three public safety personnel to Station No. 2 at all times.²² Responses to an average of 14% of all onsite incidents, over the five-year report period, have come from Station No. 2.

¹⁹ Three staffed paramedic engines, a paramedic ladder truck, two paramedic ambulances, and one incident commander are available to respond to service calls. (Engine company personnel also cross-staff ICS Type III wildland brush engines and provide staffing of a CalOES Type I engine when needed. Paramedic and Emergency Medical Technicians (EMTs) are both part of an Emergency Medical Services delivery system. An administrative ‘duty chief’ is available at all times and responds on greater alarm incidents.

²⁰ Currently within San Diego County, the fire dispatch centers are all linked together, and the agencies have automatic aid agreements for a “closest appropriate apparatus” no matter the jurisdiction, to emergencies, including fires, rescues, and emergency medical calls. Poway shares borders with San Diego, Ramona, and Lakeside, and via the linked dispatch centers has automatic aid with these agencies. Units in Poway on automatic aid are fire engines, the ladder truck, and the Battalion Chiefs. Poway’s paramedic ambulances will respond to emergencies in adjoining jurisdictions on mutual aid (by request).

²¹ This includes three ALS fire engines (one primary and two reserve), two ALS ambulances (one primary and one reserve), and one incident commander/ battalion chief. Firefighters also cross-staffed on a Wildland Brush Engine and Water Tender.

²² This includes three ALS engines (one primary and two reserve). Firefighters also cross-staffed on a Wildland Brush Engine and Water Tender.

- Station No. 3 is located in central Poway at 14322 Pomerado Road near the Ted Williams Parkway intersection. The station was built in 2005. Poway currently assigns eight public safety personnel to Station No. 3 at all times.²³ Responses to an average of 31% of all onsite incidents, over the five-year report period, have come from Station No. 3.

The following table summarizes station fleet vehicle assignments.

City of Poway Fire Station Vehicle Assignments Table 6.1b: (Source: City of Poway)				
Vehicle Type	Station One	Station Two	Station Three	TOTAL
Fire Engines	3	3	3	9
Ambulance	2	0	2	4
Other	6	1	3	10
Sub Total	11	3	8	23

The City of Poway’s service capacities are augmented by maintaining response aid agreements with surrounding jurisdictions as well as participating in the California State Fire & Rescue Mutual Aid System and FEMA's Urban Area Search & Rescue.

Currently within San Diego County, the fire dispatch centers are all linked together, and the agencies have automatic aid agreements for a “closest appropriate apparatus” no matter the jurisdiction, to emergencies, including fires, rescues, and emergency medical calls. This “boundary drop”, as it is known, uses automatic vehicle locators in the apparatus to determine the closest unit to the emergency. Poway shares borders with San Diego, Ramona, and Lakeside, and linked via dispatch centers with automatic aid. The County master agreement, or automatic aid, is in the San Diego County Emergency Operations Plan, Annex B, and reads as follows:

- ‘Automatic aid is provided between participating departments in the Operational Area (OA) to combat fire, mitigate the effects of traffic collisions, and render medical assistance to the public. Jurisdictional boundary lines are dropped when auto aid is enacted. The closest resource is dispatched to the incident regardless of agency.’
- Poway’s resources are grouped into the Metro Zone area of the San Diego County Operational Area and partners with fire departments from San Diego City, Miramar, Chula Vista, National City, Coronado, Imperial Beach, and the U.S. Navy Federal. Poway also participates in the California Master Mutual Aid Plan to assist agencies throughout the state

²³ This includes three ALS Fire Engines (one primary and two reserve), two ALS Ambulances (one primary and one reserve), and one ALS Ladder Trucks.

with major emergencies.²⁴

The City of Poway’s fire protection and emergency medical services operate as a general fund function and are largely dependent on all purpose tax revenues. The average adopted budget expense for fire protection and emergency medical services during the five-year report period has been \$12.12 million with the most recent amount in FY2020-21 totaling \$13.40 million. The average cost during this period equals slightly more than one-fourth of all budgeted general fund monies. Further, budgeted expenses have increased by 20% over the corresponding five-year report period.

The City of Poway’s fire protection and emergency medical services are supported through the General Fund. The portion of monies budgeted to fire protection and emergency medical services over the report period equals 27.7% of the General Fund and have increased on average by 4% each year.

Service Demands

Overall service demands for integrated fire protection and emergency medical within the City of Poway during the five-year report period have averaged 4,769 dispatched calls annually or 13.1 calls daily. Nearly one-eighth – or 12% – of all dispatched calls were canceled for various reasons and resulted in actual onsite arrivals averaging 4,199 annually or 11.5 calls per day. Overall, onsite incidences assigned to Poway units have decreased by (0.2%) with a peak daily demand of 12.5 per day in 2017-2018.

Over the five-year report period onsite arrivals for fire protection and emergency medical services by the City of Poway have remain generally consistent and averaged 11.5 incidents each day.

A breakdown of actual onsite arrivals show Poway units responded on average to 97.8% of all onsite incidents in its jurisdictional boundary over the corresponding period. This includes – notably – responding exclusively and without outside assistance to an average of 85.7% of onsite incidences within the jurisdictional boundary. Conversely, only 1.6% of onsite incidences in Poway were responded exclusively by one or more outside agencies. Overall onsite incidents within Poway’s jurisdictional boundary increased by 1.1% with a peak average daily demand of 11.0 calls per day in 2017-2018.

Poway responded on average to 97.8% of all onsite incidents in its jurisdictional boundary over the corresponding period. The remaining 1.6% of incidents were responded exclusively by outside agencies.

²⁴ Automatic aid is particularly valuable in responding to larger incidents where multiple fire units are needed and when specialized rescue and fire suppression equipment is needed. Measuring automatic aid response includes identifying the percentage of an agency’s total call volume where an outside agency was dispatched and determining the type of service the outside agency provided. Another performance measurement is a standards of cover analysis. It can include measuring travel times against the adopted standard and determining percentage of calls fall outside and within the standard. These are typically separate studies from a MSR.

More than one-half of all onsite responses by Poway units at 56.6% resulted in ambulance transport to an area hospital. The number of ambulance transports also slightly during the 60-months by 0.4%. Additional details concerning ambulance transport are footnoted.²⁵

City of Poway Fire Protection and Emergency Medical Demands Table 6.1b: (Source: City of Poway)							
Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Average	Trend
A Dispatched Incidents	4,572	4,763	5,184	4,778	4,550	4,749	(0.5%)
B Cancelled Calls	559	573	623	552	544	570	(2.7%)
C Total Onsite Responses	4,013	4,190	4,561	4,226	4,006	4,199	(0.2%)
--- Number of Onsite – Outside Poway	366	475	523	412	319	419	(12.8%)
--- Number of Onsite – Inside Poway	3,647	3,715	4,038	3,814	3,687	3,806	1.1%
- Responded by Poway Units Only	86.2%	85.8%	86.0%	86.4%	87.1%	85.7%	1.0%
- Responded by Poway Units with Aid Units	12.3%	12.3%	12.7%	11.9%	11.5%	12.1%	(6.0%)
- Responded by Aid Units Only	1.5%	1.8%	1.4%	1.7%	1.4%	1.6%	(8.3%)

Service Performance

It appears the City of Poway’s integrated fire protection and emergency medical services as measured by staffing and equipment are adequately sized to readily accommodate existing demands relative to local conditions within the City during the 60-month period.. The sufficiency is quantified with Poway on average having the resources to respond exclusively to more than two-thirds of all onsite incidents. It is similarly quantified by Poway’s relatively low and decreasing dependency on outside agencies during the report period with an average of less than two onsite incidents for every 100 necessitating automatic aid-only responses. This low and decreasing dependency on automatic aid is indicative that Poway has resources adequately placed to cover the jurisdiction in a timely fashion. Further, the Fire Chief attests Poway’s automatic response with surrounding agencies is balanced with no agency receiving more than it provides and no areas of the City dependent on outside agency response for coverage.

In 2020-2021, the City of Poway Fire Department completed the re-evaluation of structural fire protection capabilities and received a Class 1/1X designation by the Insurance Service Organization (ISO). This Public Protection Classification rating is the highest level of recognition and places the Poway Fire Department among the ranks of only 37 fire departments in California and 348 nationwide that have earned the distinction. The ISO classifications are designed to evaluate a fire department’s ability to protect local communities. Cities use the data to help measure the effectiveness of their fire-protection services, and insurance companies use it when establishing premiums for fire insurance. A Class 1 rating generally represents superior property fire protection and can lower the price of insurance within a community.

²⁵ Ambulance transports have remained relatively steady for the 60-month period 2015-2019 at an average of 1,770 calls annually.

6.2 Wastewater Service

The City of Poway’s wastewater service function commenced in 1980 following its incorporation and becoming successor agency to the Pomerado County Water District. This service function comprises of collection and transportation; treatment and disposal are contracted with the Cities of San Diego and Escondido. The wastewater system predominantly covers the western portion of Poway’s jurisdictional boundary.²⁶ Overall, the total number of active connections to the Poway wastewater system at the end of the five-year report period tallied 12,245 with 11,422 – or 93.3% – categorized as residential. It is estimated the resident population within the wastewater service area is 34,266 based on 11,422 residential connections and an average household size of 3.0.

Service Capacities and Related Resources

City of Poway’s wastewater system spans approximately 184 miles of internal collection pipelines made of plastic, cast iron and clay. Close to 90% of Poway’s wastewater flows are conveyed to the City of San Diego and its Point Loma Treatment Facility for secondary processing with a contractual daily capacity for Poway of 5.89 million gallons. Treated wastewater at the Point Loma facility is then discharged in the Pacific Ocean utilizing an adjacent 4.5-mile outfall. The remaining 10% of Poway’s collected wastewater is largely generated within the Northern portion of Poway and flows to the City of Escondido for secondary processing at the Hale Avenue Resource Recovery Facility. Treated wastewater at the Hale facility is conveyed close to 14 miles for discharge to the Pacific Ocean using a 1.5-mile outfall.

The majority of wastewater collected by the City of Poway is sent to the City of San Diego and its Point Loma Facility with a daily flow capacity assignment for Poway of 5.89 million gallons. Poway also sends a smaller portion of wastewater – typically less than 10% – to the City of Escondido and nearly all of it is generated within portion of the service area in the City of San Diego.

The City of Poway’s wastewater services operate exclusively as an enterprise function with daily operations dependent on revenues generated from user charges and fees. The average adopted budget expense during the five-year report period has been \$8.96 million with the most recent amount at the end of the report period totaling \$10.7 million. Actual expenses have increased by 23.4% over the corresponding 60-month period while actual revenues have increased by 16.5%.

The City of Poway’s wastewater services are entirely supported by user fees and related charges. Actual expenses have increased by 23.4% over the report period while actual revenues have increased by 16.5%.

²⁶ Development in the eastern portion of the jurisdictional boundary – which is limited and generally consists of low-density residential uses – are served by onsite septic systems.

The City of Poway's wastewater rates are established each year effective the first full billing cycle after January 1st. Wastewater charges are billed bimonthly and include an availability fee and commodity fee with the latter based on each associated unit of potable water billed to the property. Additional details are provided as an appendix.

The City of Poway's wastewater customers pay two charges: (a) availability and (b) commodity. The average residential customer at the end of the report period paid \$101.76 bimonthly.

Service Demands

Average annual demands generated within the City of Poway's wastewater service area during the five-year report period has been approximately 908.9 million gallons. (This amount is equivalent to 2,789 acre-feet of total wastewater generated in one year.) This amount serves as a macro overview of system demands and represents a daily average flow of 2.49 million gallons. It also translates over the report period to an estimated daily average flow of 203 gallons for every service connection. Average annual demands overall during the report period have changed by about (3%); a change closely mirroring the decrease in potable water usage.

The average daily wastewater flows generated during the report period in the City of Poway's service area has been 2.49 million gallons with an overall change of (3%).

Supplementary micro measurements of recent wastewater demand within the City of Poway's service area are summarized below and reflected in the proceeding table:

- Average daily dry-weather wastewater flows over the five-year report period within Poway have been 2.47 million gallons. This flow typically is recorded between May and October and most recently tallied 2.33 million gallons at the end of the report term with an overall decrease of (6%) during the 60-month period.
- Average daily wet-weather wastewater flows over the five-year report period within Poway have been 2.58 million gallons. This flow typically is recorded between November and April and most recently tallied 2.56 million gallons at the end of the report term with a slight overall decrease of (1%) during the 60-month period.
- Average daily peak-day wastewater flows over the five-year report period within Poway have been 2.66 million gallons. This latter amount produces a peak-factor relative to average day demands of 1.08.

City of Poway Recent Wastewater Demands Table 6.2a (Source: City of Poway)				
Year	Average Daily Flows	Average Dry-Weather Flows	Average Wet-Weather Flows	Recorded Peak-Day Flows
2015	2.53	2.55	2.58	2.69
2016	2.48	2.46	2.57	2.90
2017	2.69	2.53	2.91	3.15
2018	2.34	2.46	2.30	2.53
2019	2.41	2.33	2.56	2.97
Average	2.49 mgd	2.47 mgd	2.58 mgd	2.66 mgd
Trend	(3%)	(6%)	(1%)	9%

Service Performance

The City of Poway is currently operating with sufficient and excess capacity within its wastewater service area in accommodating existing estimated user demands generated during the five-year report period. This statement is substantiated with average day demand during the report period equaling 42.2% of the current contracted treatment capacity assigned to Poway through its primary treatment provider, City of San Diego (Point Loma Facility). The capacity consumption increases to 45.2% based on average peak-day flows recorded during the report period. These available capacities and excesses therein are not expected to substantively change over the next five-year period.

The City of Poway is presently operating at 42.2% capacity within its wastewater service area in terms of its daily contract allowance at its principal treatment facility (Point Loma) that receives close to 90% of all City flows. Additional information is needed to assess the relationship between demands and contracted capacities at Poway’s secondary treatment facility (Hale).

With respect to other performance measurements, the following activities are noted.

- Capital improvements are guided by a Sewer System Management Plan, which was adopted by the City Council in 2009 and most recently updated in 2019.
- Poway currently cleans approximately 245,000 feet of pipe each year. This amount represents about 25% of the current collection system and means the entire collection system is on pace to be cleaned every four-years.
- Poway operates a sewer line video inspection program as well as an inflow and infiltration (I&I) program to identify system leaks.
- Poway separately has a proactive, cooperative relationship with local restaurants to keep Fat, Oil, and Grease (FOG) out of the system and prevent spills and clogging. Backups and overflows can be the result of FOG buildup that can cause property damage,

environmental problems, and other health hazards. The program has been formalized based on existing City Municipal Code regulations, (Chapter 16.103) and is a partnership between the City, the Chamber of Commerce and food establishments, to protect the environment and save money.²⁷

6.3 Potable Water Service

The City of Poway's potable water service function commenced in 1980 following its incorporation and in conjunction with becoming successor agency to the Poway Municipal Water District. Nearly all of Poway's water supplies are purchased from the San Diego County Water Authority (SDCWA), which wholesales water from the Colorado River and the Sacramento-San Joaquin Delta through its own membership with the Metropolitan Water District of Southern California.²⁸ The remaining and relatively minimal amount of water supplies are drawn from runoff into Lake Poway as further described. Poway's potable water system covers close to two-thirds of the City's jurisdictional boundary with the remainder generally involving undeveloped/underdeveloped lands along the eastern perimeter.²⁹ Overall, the potable water system at the end of the report period tallied 13,977 active connections with 90.0% classified as residential. It is estimated the resident population within the water service area is 37,740 based on 12,580 residential connections given an average household size of 3.0.

The City of Poway's potable water service involves retail only and extends throughout most of its jurisdictional boundary with the exception of an approximate 8,066 acre-area along the eastern perimeter that is largely undeveloped and/or dependent on groundwater. The estimated water service area population at the end of the report period is estimated at 37,740.

Service Capacities and Related Resources

The City of Poway's potable water supplies are almost entirely imported and drawn from the SDCWA. This imported supply is secured through an ongoing membership agreement initially executed in 1954 with the Poway MWD and transferred to Poway as the successor agency.³⁰ The membership agreement

The City of Poway is dependent on water supplies imported from the SDCWA (Bay Delta and Colorado River) and augmented by a relatively small amount of runoff collected into Lake Poway. The maximum available water supply available to Poway in any one year based on existing infrastructure is 15,448 acre-feet.

²⁷ Poway's Wastewater Division contacts all food establishments within City limits to determine their current method for treating FOG. The City works with businesses to ensure they comply with all City regulations and the Uniform Plumbing Code. A Food Establishment Wastewater Discharge (FEWD) Permit is issued when the establishment is found in compliance.

²⁸ Poway does not have an individual contract with SDCWA. It is a member agency of SDCWA and has the ability to take up to the maximum rate on each of their connections from the untreated SWP aqueducts.

²⁹ Area residents within Poway's easternmost portion are not connected to the municipal water system and are entirely dependent on private groundwater wells. (There are no registered private community water systems in the area.) Available information indicates Poway's aquifers are small and located along creeks and streams. Groundwater in fractured bedrock is difficult to locate and normally requires deep wells.

³⁰ 2015 Poway UWMP

entitles Poway to purchase for subsequent retailing an unlimited amount of water subject to external (i.e. Bay Delta and Colorado River flows) and internal (i.e. infrastructure) conditions. This latter condition is highlighted by limitations from Poway’s connection points with the SDCWA aqueduct that Poway estimates allows up to 10.8 million gallons or 33.2 acre-feet of raw water (non-treated) each day, and if accessed continually equals 12,118.0 acre-feet annually. Supplies drawn from SDCWA equal 99.5% of all potable water retailed by Poway over the five-year report period. The remainder of Poway’s water supply is locally drawn from rainfall collected into Lake Poway with a maximum holding capacity of 1.075 billion gallons or 3,300 acre-feet. The combined maximum annual supply available to Poway in any one year, accordingly, equals 5.0 billion gallons or 15,448 acre-feet.

City of Poway Available Potable Water Supplies Table 6.3a (Source: City of Poway and SD LAFCO)		
Direct Source	Maximum Daily Infrastructure Capacity	Maximum Annual Infrastructure Capacity
SDCWA: Delta and Colorado River	10.8 million gallons or 33.2 acre-feet	3.9 billion gallons or 12,118 acre-feet
Lake Poway: Watershed Runoff	2.9 million gallons or 9.1 acre-feet *	1.0 billion gallons or 3,432 acre-feet
TOTAL	13.8 million gallons or 42.3 acre-feet	5.9 billion gallons or 15,550 acre-feet

* The maximum daily supply capacity for Lake Poway represents a LAFCO staff estimate and represents the division of the annual holding capacity into daily increments over a calendar year.

The City of Poway purchases its imported raw water from the SDCWA. The purchased water is then transported to either Lake Poway for temporary storage, or the Berglund Water Treatment Plant (WTP) for treatment into potable drinking water. The Berglund WTP was built in 1973 and has a rated daily capacity of 24.0 million gallons or 73.6 acre-feet, which if run continuously generates a maximum annual treatment capacity of 26,864.0 acre-feet. Once treated at the Berglund WTP, the potable water leaves a 10.0 million-gallon clearwell tank and enters the distribution system through a series of pipes and pump stations. The distribution system spans 18 contiguous pressure zones that are connected through approximately 267 miles of lines.

The City of Poway’s Berglund WTP has a daily treatment capacity of 24.0 million gallons. Potable water leaves the WTP and enters a distribution system approximately 275 miles total length and spans 18 connected pressure zones.

Potable water storage in the distribution system is provided by 18 reservoirs ranging in capacity from 0.01 to 2.5 million gallons and exist to maintain adequate supply during peak demand, for fire flow, or other emergencies. The reservoirs also provide pressure

Total potable water storage within the City of Poway’s distribution system is 18.1 million gallons or 55.5 acre-feet.

within the distribution system. The combined capacity of all 18 potable reservoirs is 16.1 million gallons or 49.1 acre-feet³¹ All of the reservoirs are covered to prevent losses from evaporation and reduce pollution or contamination risks.³²

City of Poway Potable Water Storage Table 6.3b (Source: City of Poway)		
Reservoir Identification	Construction (Renovation)	Capacity Size
R1	1965 (1981)	1.00 MG
R2	1981	0.70 MG
R3	1960 (2010)	1.00 MG
R4	2006	0.500 MG
R5	1955 (1998)	0.200 MG
R6	1959 (1998)	0.400 MG
R7	1975 (1998)	1.00 MG
R8	1990 (1999)	2.50 MG
R9	1959 (2000)	1.00 MG
R10	1959 (1979)	1.00 MG
R11	1997	1.50 MG
R12 (reclaimed)	1987	2.00 MG
R13	2001	0.50 MG
R14	1955 (2000)	1.50 MG
R15	1955 (2010)	0.50 MG
R16	2008	0.30 MG
R17	1980 (1998)	2.00 MG
R18	2008	0.01 MG
R19	2008	0.50 MG
		18.11 MG

The City of Poway's potable water services operate as an enterprise fund and funded exclusively from user charges and fees. The average adopted budget expense during the five-year report period has been \$29.10 million with the most recent yearly amount totaling \$27.60 million. Actual expenses have increased by 8.1% over the corresponding 60-month period while actual revenues have increased 14.6%.

Actual potable water expenses have increased by 8.1% over the report period while actual revenues have increased by 14.7%.

The City of Poway's potable water rates are established each year effective the first full billing cycle after January 1st. Potable water charges are billed bimonthly and include two distinct fees: fixed availability based on meter size and variable commodity based on usage. Additional rate details are provided as an appendix.

The City of Poway's potable water customers currently pay two bimonthly charges: (a) fixed availability and (b) variable commodity. The average residential customer paid \$188.92 per bimonthly period based on ending totals in the report period.

³¹ The City of Poway also has a 10.0 mg clear well tank to hold finished water at the Lester J. Berglund WTP.

³² The City's surface water reservoir, Lake Poway, is a man-made surface storage reservoir with a maximum capacity of 3,300 acre-feet or 1,075 million gallons (MG). Lake Poway provides storage for emergencies and buffers the effects of peak seasonal water demands.

Service Demands

The City of Poway’s total average annual potable water demand production over the five-year report period has been 3.02 billion gallons or 9,281-acre feet. The most recent year-end amount showed total demand at 2.78 billion gallons and represents an average daily water demand of 7.7 million gallons. This latter amount is further broken down into the equivalent of 153.7 daily gallons on a per capita basis given an estimated resident population of 49,539 in 2019. The average peak-day demand – the highest one-day sum in a year – over the report period was 14.86 million gallons. This latter amount produces an average peaking factor of 1.5 and shows high-demand periods increase usage by more than 8.4 acre-feet or 0.273 million gallons per day.

The City of Poway’s overall annual water demands have averaged 9,281 acre-feet and produces an estimated daily per capita use of 169 gallons.

With respect to trends, Poway has experienced an overall change of (8.1%) in water demands over the five-year report period. However, a closer review of annual amounts shows increases most of the years covered with the final year experiencing a significant decrease and therein generating the overall reduction over the 60-month period. Overall demands and trends during the report period follow.

The City of Poway’s average potable water demand during the five-year report period as measured by per capita use increased in the first four of the five report period years. The final year – notably – experienced a significant decrease and generates an overall decrease in per capita usage of (8.9%) from 163 to 153 gallons.

City of Poway Potable Water Demands Table 6.3c: (Source: City of Poway and SD LAFCO)							
Category	2015	2016	2017	2018	2019	Average	Trend
Annual Total	8,886.5 AF	9,998.9 AF	9,790.6 AF	9,897.5 AF	8,530.1 AF	9,280.72 AF	(8.4%)
Average Day Total	24.3 AF	27.4 AF	26.8 AF	27.1 AF	23.4 AF	25.4 AF	(8.4%)
... Per Resident	162.8 MG	169.8 MG	178.1 MG	179.3 MG	153.7 MG	168.7 MG	(8.9%)
Peak Day Total	31.0 AF	35.8 AF	36.3 AF	37.0 AF	45.6 AF	37.2 AF	18.4%
... Peaking Factor	1.2	1.4	1.5	1.5	1.8	1.5	17.0%

AF = Acre-Feet
MG = Million Gallons

Service Performance

The City of Poway’s potable water system is operating with sufficient and excess capacities in supply, treatment, and storage in accommodating existing demands based on usage generated during the five-year report period. These capacities are similarly expected to accommodate anticipated demands over

The City of Poway has established sufficient potable water infrastructure and related capacities and marked – and among other measurements – by the average annual demand over the report period equaling only 60% of accessible supplies under normal conditions.

the next five-year period with variables – including resiliency during different hydrological periods – having been appropriately evaluated by Poway in its Urban Water Management Plan (UWMP), which was most recently updated in 2015.

The following statements qualify and quantify existing and projected relationships between Poway’s capacities and demands now and going forward towards 2024. This includes referencing California’s Waterworks Standards (Title 22 of the Code of Regulations) and its requirements all public water systems have sufficient source, treatment, and storage capacities to meet peak day demand system-wide and within individual zones. It also addresses water quality and rates.

Water Supply

- Average annual water production demands generated over the report period for Poway’s entire distribution system represents 60.0% of the City’s accessible maximum raw supply.
- The average peak-day demand within Poway’s entire distribution system represents 87.9% of the City’s maximum available raw water supply.

Water Treatment:

- The current daily treatment capacity at the Berglund WTP is nearly double the maximum daily raw water supply available to Poway under normal conditions.
- The average peak-day water demand over the report period for the entire distribution system represents 50.5% of Poway’s existing total daily treatment capacity at the Berglund WTP.

Water Storage:

- Average peak-day demands over the report period for Poway’s entire distribution system represents 67.0% of the City’s existing total potable storage capacity.
- Poway’s total potable storage capacity can separately accommodate up to 2.2 consecutive days of average day demands generated over the report period in the City without recharge.
- Additional information is needed to assess the relationship between peak-day demands and storage supplies within Poway’s 19 individual pressure zones.

Water Quality:

- A review of the records maintained by the State Water Quality Control Board shows there have been no drinking water standard violations issued to Poway during the report period.
- Poway's most recent water quality report was issued in 2020 and shows the results of self-monitoring conducted during the 2019 calendar year. The report is divided into testing for both primary and secondary contaminants as prescribed by the State. No excessive primary or secondary contaminants were identified.³³

Water Rates:

- Poway's ratepayers receive two direct charges for retail potable water service: (a) fixed availability and (b) variable commodity. Based on average monthly consumption uses during the report period, the current combined fixed and commodity charges produce an equivalent bimonthly charge for single-family residential users of \$175.68.³⁴
- Wholesale charges from SDCWA are incorporated into ratepayers bi-monthly water rates.

Water Conservation:

- The City of Poway has decreased its daily per capita water usage by (8.9%) over the report period from an estimated 163 gallons to 153 gallons. It is unknown the portion of this daily use that is dedicated to indoor use and accordingly the State of California's 2023 advisory target to limit per capita usage to 55 gallons.
- During water shortage events, and if a water emergency is declared, Poway water customers must comply with water use efficiency measures, defined in the Poway Municipal Code Chapter 8.94. These directives are more stringent than the statewide water conservation measures and include details such as landscaping irrigation timing, offering hotel and other lodging guests the option of not laundering towels and linens daily and using recycled or non-potable water for construction purposes to the fullest extent possible. Poway has also implemented two phases of a landscape conversion during the

³³ On Nov. 30, 2019, at the State's direction, Poway issued a precautionary boil water advisory following a heavy rain event that caused some stormwater overflow into part of the City's drinking water system. As part of the State's notification process, the County's Environmental Health Department issued closure notices to Poway food establishments. Poway set up two distribution points to provide bottled water to its water customers and distributed approximately 117,850 gallons (0.36 acre-feet) of water. The boil water advisory ended one week later on Friday, Dec. 6, 2019 when water samples confirmed the ongoing safety of Poway water. All testing conducted during the seven-day period confirmed the safety of the drinking water and the water system; however, it was important to follow state regulatory procedures, which called for a series of tests and water quality confirmations.

³⁴ This amount is based on an average household usage of 421.75 gallons each day.

report period and involves the removal of approximately 0.285 million square feet of turf in the City with an estimate annual water savings of over 9.2 million gallons or 28.3 acre-feet.

- Poway’s website provides comprehensive water conservation measures information. Residents and local businesses qualify for a free irrigation check-up to assist in water use efficiency. Residents can also qualify for water efficiency device rebates. Poway also participates in the SoCal Water\$mart turf program with a rebate of \$1.00 per square foot.

Miscellaneous:

- The Sustainable Groundwater Management Act (SGMA) was passed into California law in 2014 and took effect in January 2015. It requires that State-designated high and medium priority groundwater basins must form one or more Groundwater Sustainability Agencies (GSAs) by June 30, 2017 and that the GSAs must develop and implement one or more Groundwater Sustainability Plans (GSPs) by January 31, 2020 for critically overdrafted groundwater basins, or by January 31, 2022 for non-critically-overdrafted groundwater basins. GSPs are considered a roadmap for how groundwater basins will reach and maintain long-term sustainability.

Prior to SGMA passage, the Department of Water Resources developed the Statewide Groundwater Elevation Monitoring (CASGEM) program to track seasonal and long-term trends in groundwater elevations in California’s groundwater basins. CASGEM priorities were used to rank the priority of each groundwater basin in California as either very low, low, medium, or high. The Poway Valley Groundwater Basin (PVGB) has been designated as a very low priority groundwater basin; thus, area agencies are not subject to SGMA requirements. While low and very low priority groundwater basins are not the focus of SGMA at this time, it is anticipated that they may need to develop GSAs and GSPs at a later time as determined by DWR and the State Water Resources Control Board.³⁵

The Poway Valley Groundwater Basin (PVGB) has been designated as a very low priority groundwater basin; thus, area agencies – including the City- are not subject to SGMA requirements at this time.

³⁵ The City of Poway, in partnership with the City of San Diego, developed a Salt & Nutrient Management Plan (SNMP) for the Poway Groundwater Basin in 2018. The SNMP purpose is to evaluate and manage groundwater quality, both overall and with respect to recycled water use. Poway requested participation in its Water Well Sampling Program by private PVGB well owners to gather additional SNMP data. The City initially requested one-time access to the groundwater well(s) operated on private property. As part of their participation in the effort, the well owner received information on the water quality in their well. The water quality data collected through this effort was used to better understand and manage PVGB groundwater quality, augmenting an extremely limited existing groundwater quality dataset. Well owners were surveyed to gauge their interest in participating in the Water Well Sampling Program. The survey was targeted towards private well owners to participate in a one-time well sampling program to sample their wells and collect data on Total Dissolved Solids (TDS) and nitrate to be used to better understand and manage groundwater quality in the Poway Valley. Poway informed the well owners that as part of their participation in the effort, the well owner would receive information on the water quality in their well. The survey letter was also made available at the City’s website⁵. The Well Sampling Program was further expanded to identify private wells that could be proposed for the SNMP-specific monitoring plan. Poway sent a letter to private well owners requesting their long-term participation for annual groundwater well sampling program in support of the SNMP. In addition to letters, Poway also

6.4 Parks and Recreation Service

The City of Poway’s parks and recreation service function commenced at the time of its incorporation in 1980 and is organized under the Community Services Department. These services have also evolved from an initial focus on traditional recreation (parks, playgrounds, etc.) at the time of incorporation to now include municipal open-space and a variety of cultural amenities and marked by operating the Poway Center for Performing Arts and a branch of the County of San Diego Library System. Traditional recreation, nonetheless, remains a focus and includes 22 different park sites within Poway that collectively span approximately 291 acres maintained by the Community Services Department and shown in the map provided on the following page.

The City of Poway’s Park and Recreation function is divided into eight distinct classes: (a) general recreation; (b) aquatics; (c) community parks; (d) interpretive services; (e) lake operations; (f) library; (g) cultural; and (h) urban forestry.

Service Capacities and Related Resources

A macro description of the City of Poway’s park and recreation service function organized by class follows along with general budgetary information.

General Recreation

The City of Poway maintains two gymnasiums used for general recreational purposes: Twin Peaks Multi-Purpose Center located at 14640 Tierra Bonita Road and Meadowbrook Gymnasium located at 12320 Meadowbrook Lane. These facilities operate in conjunction with Poway Unified School District and offer classes on an extensive variety of active recreational activities including basketball, badminton and volleyball. Poway also offers special community events including festivals and open-air concerts. Twin Peaks Multipurpose Center generally operates every day of the week in the evenings, while the Meadowbrook Gymnasium operates in the evenings on most weekdays and 8 A.M. to 2 P.M. Sundays.

Aquatics

The Poway Community Swim Center is a multi-use aquatic facility located at 13094 Civic Center Drive. The City of Poway directly operates the Swim Center and allocates lane and general pool space to a variety of swim, dive, water polo, and water exercise teams and classes. The Swim Center includes a heated 50 by 25-meter pool with attached diving well and children's splash zone. The facility offers one- and three-meter diving boards, open swim areas, lap

followed-up with calls to contact private well owners to gauge their interest. As part of the proposed monitoring, Poway would coordinate with the private well owner to arrange a day and time for a City water quality technician to visit the property to sample the well. As part of this participation, well owners would receive information on the water quality in their wells, similar to the initial one-time sampling program.

swimming lanes, and full locker rooms. The Swim Center is staffed by a full complement of trained lifeguards that are present to supervise at all times. Operating hours are variable.

Community Parks

The City of Poway offers 22 parks for a variety of different community uses. The parks range in size from less than an acre at Veteran's Park to nearly 100 acres at Lake Poway. The total active acreage combined within all 22 parks is 291 acres excluding open space areas and produces a ratio of 5.9 acres of public parkland for every 1,000 residents. The Blue-Sky Ecological Reserve spans over 700 acres and provides for bird watching, wildlife viewing and hiking. Poway's trail system spans over 55 miles. Old Poway Park hosts a weekly Farmer's Market on Saturday mornings that sells local and organic produce and artisan foods. General park operating hours are Monday through Sunday sunrise to sunset.

Interpretive Services

The Kumeyaay-Ipai Interpretive Center is an interpretive facility located at 13104 Ipai Waaypuk Trail. It was built in 2007 and operated by the City of Poway in partnership with the San Pasqual Band of Indians. The indoor facility spans approximately 1,440 square feet indoor and complements outdoor areas that illustrate evidence of a thriving community of Native Americans in Poway (Pauwai) Valley. This includes rotating exhibits that highlight Poway's First Peoples sustainable lifestyle, history, and culture. Volunteer docents are trained to instruct third grade school children in the ancient ways of the Kumeyaay, and conduct tours and other activities. The Interpretive Center also offers guided hikes through a demonstration water-wise garden showcasing native plants used by past inhabitants. General operating hours are the 2nd and 4th Saturday of each month 10:00 a.m. to 1:00 p.m.

Lake Operations

Lake Poway is a man-made reservoir constructed in the early 1970s for the dual purpose of serving as a local water supply depository as well as providing water-based recreation amenities. These recreational amenities are administered by an onsite concessions office and includes fishing and a range of boating activities from pedal to motor crafts. Poway Lake is surrounded by hiking trails and is connected to the Blue Sky Ecological Reserve by hiking trail. General operating hours are 6:00 AM – Sunset.

Library

The Poway Branch Library is part of the San Diego County Library System and located at 13137 Poway Road. The Poway Library is approximately 20,000 square feet in size and allows access to more than 5.3 million books, including e-books and audio-visual materials. Key amenities include 10 public access computers with free internet access as well as a community meeting

room with a 64-person capacity. Other amenities include offering storytime for many different age groups, exercise groups and many other community enrichment events on a weekly basis. General operating hours are Monday-Thursday from 10 a.m. to 8 p.m., Friday and Saturday 9:30 a.m. to 5 p.m., and Sunday not to 5 p.m.

Poway Center for Performing Arts

The Poway Center for the Performing Arts is an 809-seat facility built in 1990 and located adjacent to the Poway High School at 15498 Espola Road. The Poway Center hosts professional performances ranging from major plays and concerts to appearances by individual artists of national acclaim. The Poway Center also encourages performing arts in the area by providing accommodations for Poway Unified School District students and community-based productions. General operating hours fluctuate depending on events.

Urban Forestry

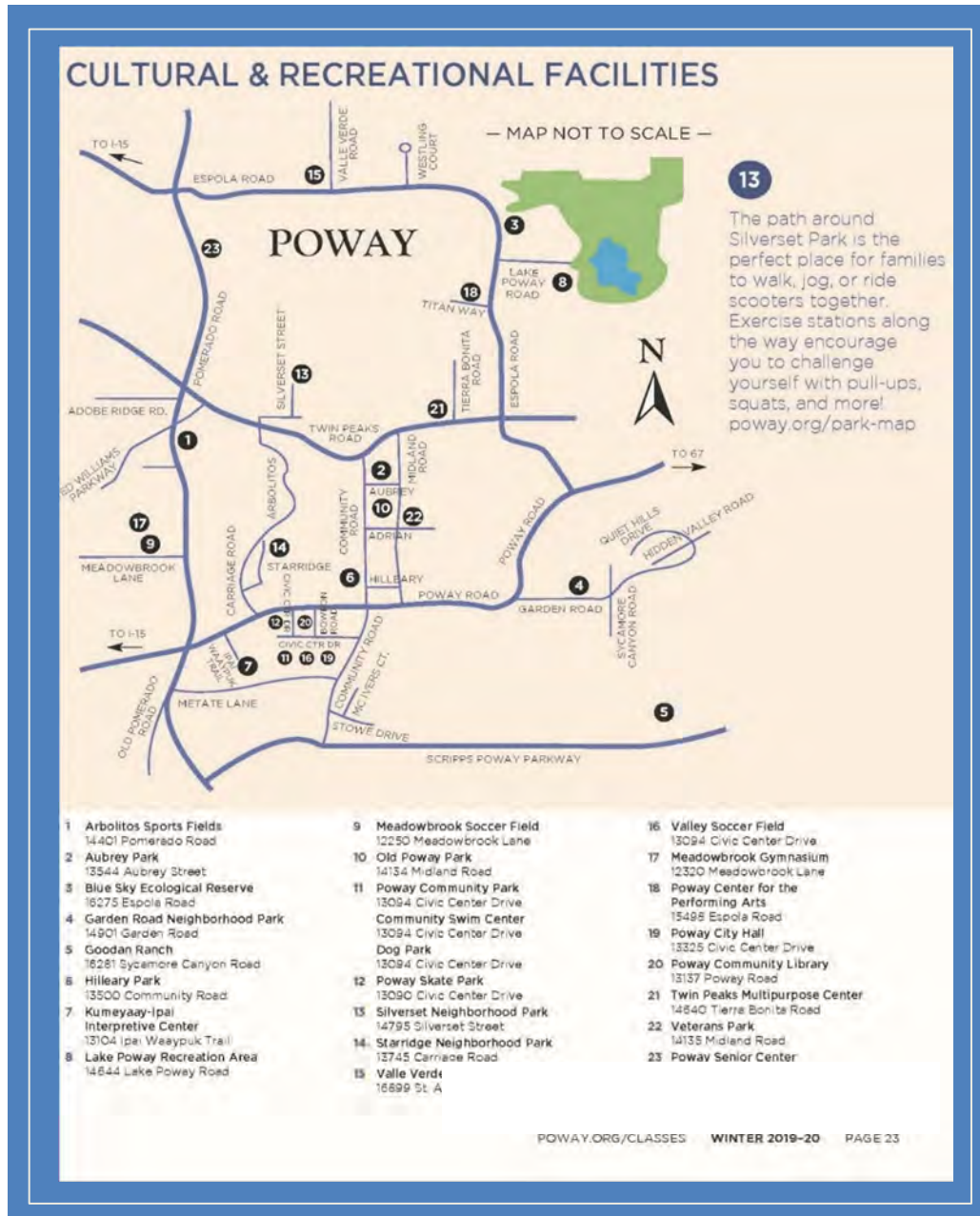
The City of Poway practices and prioritizes urban forestry principles for planting, trimming, and removing trees and codified in ordinance (Poway Municipal Code, Chapter 12.32.). Tree City USA is an award given by the National Arbor Day Foundation to recognize cities that practice excellence in urban forestry. Poway has been awarded the Tree City USA designation every year since 1999.³⁶ Several trees in Poway have also been designated as Heritage Trees by the City Council and denotes a tree on public property or public right-of-way that has historic or cultural significance.

The average budgeted costs of the City of Poway's park and recreation services during the five-year report period has been \$8.27 million and includes supporting all eight service classes identified in the preceding descriptions. The primary revenue source for park and recreation services is the General Fund. Over the corresponding 60-month period, close to 20% of the General Fund was expended on park and recreation services. The remaining revenue sources involving fees, grants, and donations.

Monies from the General Fund represent the single largest revenue source for the City of Poway's park and recreation services. The average annual amount allocated for these services equals almost 1/5 of all budgeted General Fund monies during the report period.

A map showing the City of Poway's park and recreation services follows on the next page.

³⁶ Coronado and Santee are the only other local cities that have received Tree City USA awards.



Service Demands

Overall service demands for park and recreation services within the City of Poway can be measured by new amenities added during the five-year report period and presumably in direct response to community feedback. Accordingly, over the corresponding 60-month period Poway has either completed or near completed the following key amenities:

- Design work for the Mickey Cafagna Community Center in Poway Community Park at 15498 Espola Road was completed in February 2019 with construction beginning in July 2019. Completion of the project – which is named after a longtime Councilmember and the City’s third elected Mayor – is expected in May 2021 and involves the construction of a 22,587 square-foot multi-use generational facility that will replace Poway’s existing Community and Senior Center. The estimated cost is \$132 million.
- Poway supports open space preservation by using its Habitat In-Lieu Fee to purchase land. This includes recently purchasing three open space properties for a total of 80 acres. In addition, Poway was a co-applicant with the Trust for Public Lands on two grants to acquire 160 acres as part of a planned expansion of the Iron Mountain Preserve.

Service Performance

Poway's park and recreation services five-year budget averages \$8.27 million annually, for all eight park and recreation service classes, which represents an annual per capita expenditure of \$167, based on the City population of 49,539. There are 22 different park sites within Poway that collectively cover about 291 acres, which represents almost 6 acres per 1,000 residents. This is about double the minimum of 3 acres per 1,000 population and 20% higher than the maximum of 5 acres per 1,000 population identified in the Quimby Act (AB No. 1359). The act provides that the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide 3 acres of park area per 1,000 persons. Collectively, and based on these per capita expenditures, the range of cultural, park and recreation services provided, and the amount of parkland per capita, it appears Poway’s performance in offering these services and facilities is more than adequate.

The City of Poway presently owns and operates 22 park sites that total 291 acres, which translates to nearly 6 acres of parkland for every 1,000 residents. This ratio is nearly double the minimum State requirement of 3 acres of parkland for every 1,000 residents.

6.5 Community Development

The City of Poway assumed community development services from the County of San Diego at the time of incorporation in 1980 through the transfer of land use control. This service function is guided by the Poway General Plan, which was last updated in November 1991 and includes community development goals starting with preserving Poway’s unique character as the “City in the Country.” There have been multiple amendments made to the Poway General Plan since the last update by the City Council. The task of implementing and organizing community development within Poway is primarily assigned to the

The City of Poway’s community development service function is guided by the Poway General Plan and incorporates two broad classes: (a) planning and (b) engineering.

Development Services Department. This report and succeeding analysis focus on two broad classes underlying Poway’s community development service function: (a) planning and (b) engineering.

Service Classes and Capacities

Planning Services |

Planning Division activities in the City of Poway includes administering and implementing land use policies established in the General Plan and regulations of the Zoning Ordinance as well as managing the Planning Division and other ancillary Divisions involving code compliance and building. Planning activities operate as a stand-alone division within the Development Services Department and budgeted with 7.5 FTE at the end of the five-year report period. Staffing levels have remained generally consistent through the report period with an average budgeted expense of \$2.158 million and an overall change of 26.4%.³⁷

Planning operates under the Development Services Department and includes two internal divisions – Housing and Building/Safety. The average budgeted amount for Planning has been \$2.2 million with an overall change of 26% during the five-year report period.

The Planning Section employs five planners and shares a part-time Development Services Technician with the Engineering Division. Two part-time interns also volunteer with the Division. The Division administers and implements the City's land use and zoning functions, processes discretionary land use applications, and assures compliance with conditions of approval through various reviews and inspections. This Division also ensures compliance with the Poway Municipal Code, California Environmental Quality Act (CEQA), and other state and federal regulations. An increasingly pertinent task involves preparing an update to the Poway Housing Element per State law (five to eight years) that – and among other items – addresses the City’s allocation of the regional housing needs assessment (RHNA) as further described.

Code Compliance

The Code Compliance Section is part of the Planning Division and employs two code compliance officers. The Section oversees contracts for weed abatement, dead animal pick-up and disposal services, and false alarm response cost recovery. They ensure that the Poway Municipal Code is being followed, which helps provide a better quality of life for all City residents. They address complaints from community members, conduct inspections, process appeals, and manage the vegetation management programs and the responsible beverage service program.

³⁷ The staffing and budgeted amounts and trends reflect the last four years of the five-year report period (2015-2016 to 2018-2019). Information for 2014-2015 is pending.

Building and Safety

The Building and Safety Inspections Section employs up to five Building Service Contractors based on demand and includes a deputy building official, two building inspectors, and two plan checkers. In addition, a building and fire code plan check team off-site reviews plan submittals. The City’s Building Division provides plan check, permitting, and inspection for building-related activities within the City of Poway. They are tasked with enforcing the City’s building and fire codes for building permits. The City contracts with EsGil Corporation to provide these services. The California Green Building Standards Code requires that new buildings in California be more energy efficient and environmentally responsible. The regulations will result in reductions in greenhouse gas emission, energy consumption, and water use. All new construction projects are required to comply with the Green Building standards.

Affordable Housing

The Housing Division employs a portion of one Senior Management Analyst. The Poway Housing Authority provides the community with a variety of housing options, including high-quality, multi-family and single-family homes affordable to very low, low- and moderate-income households. Since 1983, the former Poway Redevelopment Agency and Poway Housing Authority (Successor Agency to the Redevelopment Agency) have developed or facilitated the rehabilitation of 736 affordable living spaces in the community. The division operates out of City Hall and is tasked with maintaining an Affordable Housing Database and producing an annual report for the Poway Housing Authority. Prior to dissolution of the former Poway Redevelopment Agency (Agency), the Agency was required to prepare a Redevelopment and Housing Implementation Plan (Implementation Plan) every five years that described the Agency's goals and objectives, planned project and programs, estimated expenditures, and its low- and moderate-income housing production plan. The Implementation Plan also outlined how the Agency would eliminate blighted conditions identified in the Redevelopment Plan. The most recent Implementation Plan was approved prior to the Agency's dissolution for the period January 1, 2010 through December 31, 2014.

City of Poway Planning Division Planning, Housing and Building							
Table 6.5a: (Source: City of Poway and SD LAFCO)							
Category	2015	2016	2017	2018	2019	Average	Trend
Budgeted Employees	n/a	7.0	7.0	7.0	7.5	7.0	0.0%
Budgeted Expenses	n/a	\$1.981	\$2.075	\$2.073	\$2.503	\$2.158	26.4%

Employees are listed as FTEs (1.0 FTE equals 2,080 hours per year)
Budgeted expenses listed in millions

Engineering Services |

Engineering activities within the City of Poway focus on five main functions. These include the design and construction of capital improvements, performing reviews and issuing related permits involving private land development projects, inspection of both capital improvement and private development projects, overseeing traffic circulation improvements and managing the storm water program. Engineering activities operate as a stand-alone division within the Development Services Department and budgeted with 12.0 FTE at the end of the five-year report period. Staffing levels have increased by one-third through the report period with an average budgeted expense of \$2.113 million and an overall change of 52.8%.³⁸

Engineering operates under the Development Services Department with an average budgeted amount of \$2.0 million during the five-year report period. The corresponding trend in budgeted expenses has been an increase of 53%.

City of Poway Engineering Division CIP, Land Development, Inspection, Traffic, and Storm Water Table 6.5b: (Source: City of Poway and SD LAFCO)								
Category	2015	2016	2017	2018	2019	Average	Trend	
Budgeted Employees	n/a	9.0	9.0	12.0	12.0	10.05	33.3%	
Budgeted Expenses	n/a	\$1.631	\$1.684	\$2.245	\$2.492	\$2.013	52.8%	

Employees are listed as FTEs (1.0 FTE equals 2,080 hours per year)
Budgeted expenses listed in millions

The average budgeted costs of the City of Poway's community development services during the five-year report period has been \$19 million and specific to supporting planning and engineering service class activities as described in the preceding paragraphs. General Fund monies represent the primary revenue source and account for about 10% of budgeted revenues during the corresponding 60-month period. The remaining revenue sources supporting community development services include application and permit fees as well as plan checks.

General Fund Monies represent the single largest revenue source for community development services. The average annual amount allocated to community development services equals about 1/10 of all budgeted General Fund monies during the report period.

Service Demands

Overall service demands for community development within the City of Poway during the five-year report period is marked by development review applications and have averaged 57 annually or about 5 per month. This

The City of Poway has averaged 57 development review applications per year over the course of the five-year report period. The overall change in annual applications during the 60-month period has been 18%.

³⁸ The staffing and budgeted amounts and trends reflect the last four years of the five-year report period (2015-2016 to 2018-2019). Information for 2014-2015 is pending.

measurement serves as a macro-overview of community development in terms of footprint expansion and represents the number of applications processed by Poway that requires some type of City approval to proceed. These approvals are distinguished between minor (i.e. new single-family residences) and standard (i.e. parcel and subdivision maps) development reviews and – pertinently – directly and indirectly impact planning and engineering activities, respectively. Annual demands for development review applications have fluctuated with an overall change of 17.6% during the corresponding 60-month period.

A more micro review of community development demands within Poway can be measured by building permits and captures projects performed on new and existing structures. This latter category – existing structures – includes alternating, moving, repairing, or demolishing with limited exceptions. The average number of building permits issued by Poway during the five-year report period have been 2,344 annually or about 195 per month. The annual number of issued building permits have largely been on the rise with increases in four of the five report years with an overall change of 24.5% during the corresponding 60-month period.

The City of Poway has issued an average of 2,344 building permits per year over the course of the five-year report period. The overall change in annual applications during the 60-month period has been 24%.

City of Poway Community Development Trends							
Table 6.5c: (Source: City of Poway and SD LAFCO)							
Category	2015	2016	2017	2018	2019	Average	Trend
Development Review Applications (Macro Measurement)	51	49	74	50	60	57	17.6%
Building Permits Issuances (Micro Measurement)	2,072	2,649	2,072	2,348	2,580	2,344	24.5%

Service Performance

An increasing emphasis in assessing community development performance and pertinent to LAFCOs’ legislative interest is the ability for land use authorities (i.e. counties and cities) to sync housing opportunities with household incomes. This emphasis is reflected in the State of California requiring all counties and cities to sufficiently plan to meet the housing needs of everyone in their respective communities as stand-alone elements of general plans. Towards this end, these agencies’ housing elements must identify adequate sites zoned and available within an eight-year housing cycle to meet their regional housing needs assessment (RHNA) at all prescribed income levels (i.e., very low, low,

Providing housing for all income levels in San Diego County is a central legislative consideration for LAFCO in its task to promote orderly growth and development. The ability of the City of Poway to appropriately accommodate housing at all levels, accordingly, is a key performance measurement in considering community development services as part of the municipal service review process.

moderate, and above moderate relative to area median income or AMI). All housing elements must be internally consistent with the general plans and approved by the State Department of Housing and Community Development or “HCD.” Immediate repercussions for not receiving HCD approval include limitations on State funding programs as well as increased exposure to lawsuits and the potential therein for court orders that reduce and/or suspend local control over building and development activities. More recent legislation tasks local agencies to submit annual reports to HCD on housing elements implementation status beginning April 2018.

The City of Poway’s current Housing Element was adopted by the City Council in May 2013 and subsequently approved (certified) by HCD in June 2013. The adopted Housing Element accommodates the 1,253 total housing units that have been allocated to Poway to plan and zone by HCD through October 2021 with approximately one-fourth – or 353 – of the total categorized as very-low or low income units and capture households earning 80% or less of average maximum income (AMI) in San Diego County.³⁹ The largest category allocation involves above-moderate units and tallies close to one-half of the 1,253 total. Poway has also submitted annual reports to HCD following Housing Element adoption in each completed year with the most recent submittal showing 15.5% – or 194 – of the allocations permitted as of June 30, 2019.

The City of Poway received approval for its current Housing Element (2013-2020) from HCD and the accommodation therein of 1,253 new housing units as part of the Regional Housing Needs Allocation process or RHNA. Of this total allocation, 194 – or 15.5% – of the housing units have been permitted for construction through the end of the report period (2019).

City of Poway |
Current RHNA Cycle: 2013-2020
Table 6.5d: (Source: HCD and San Diego LAFCO)

Housing Category	Total Units Assigned	% of Total Units	Permits Completed as of 6-30-19	% Permits Completed as of 6-30-19	Remaining Assigned Units
Very Low (0-50% AMI)	201	16.0%	26	12.9%	175
Low (50-80% AMI)	152	12.1%	26	17.1%	126
Moderate (80-120% AMI)	282	22.5%	0	0.0%	282
Above Moderate (120% + AMI)	618	49.4%	142	23.0%	476
	1,253	100%	194	15.5%	1,059

The calculated AMI in San Diego County is \$75,500
 ... 50% equals \$37,750 ... 80% equals \$60,400 ... 120% equals \$90,600

³⁹ The calculated AMI for a family of four in San Diego County is \$75,500

6.6 Other Municipal Services

The City of Poway provides several other municipal services directly or indirectly through contracts and franchise agreements that support current and future development within the City. Prominent examples to the public of contracts and/or agreements include law enforcement and animal control services. The other municipal services are briefly summarized for documentation purposes with staff intention to more fully explore these functions consistent with the preceding sections as part of the next municipal service review cycle.

Animal Control

Pending.

Electricity and Natural Gas

Pending.

Law Enforcement

The City of Poway provides law enforcement services through a contract with the County of San Diego Sheriff's Department with internal management provided by the Safety Services Department. This contract relationship was established at the time of Poway's incorporation in 1980 with services provided from the Sheriff's Poway substation located at 13100 Bowron Road. Contracted services include patrol, traffic, and investigations with an appointed Sheriff Captain serving as the City Police Chief. Contracted staffing at the end of the five-year report period totaled 45 sworn personnel with a budgeted cost of \$12.7 million. The budgeted cost is entirely drawn from the General Fund and has increased by \$2.1 million or 19.8% over the report period.

Public Transportation

Pending.

Solid Waste

Pending.

Stormwater, Flood Control, and Drainage

The City of Poway's Storm Water Division operates under the Public Works Department and is responsible for drainage facility repair and maintenance in the City rights-of-way and in improved dedicated channels. Work is coordinated with Poway's Storm Water Program, which operates under the Development Services Department, and includes – among other facilities – 9 miles of concrete channels, 64 miles of enclosed storm pipe, and 105 miles of open storm channels. The budgeted cost is largely drawn from the Drainage Fund and has increased over the five-year report period from \$0.9 million to \$1.1 million or 22.2%.

Street Maintenance

The City of Poway’s Street Maintenance Division operates under the Public Works Department and is responsible for maintaining and repairing close to 165 miles of public roads and rights-of-way. Regular activities include pavement maintenance, sign testing and replacement, tree and shrubbery trimming, curbs, gutters, sidewalk repair and replacement, and weed/litter abatement. The Development Services Department's Capital Improvement Projects Engineering Division manages the citywide Pavement Management Program effort which is accomplished through a combination of the Public Works Streets Maintenance Division and private contractors. The City is divided into eight geographic Pavement Maintenance Zones. Pavement maintenance projects are generally scheduled in each successive zone on an eight-year cycle. The type of pavement treatment depends on the condition of the streets and funding availability. Close to three-fourths of the budgeted cost is drawn from Poway’s allocation of Senate Bill 1 known as the “Gas Tax” with overall amounts decreasing over the five-year report period from \$4.5 to \$4.3 million or (4.4%).

7.0 FINANCES

7.1 Budget Information

The City of Poway’s operating budget at the end of the five-year report period (2018-2019) totaled approximately \$88.2 million. The operating budget comprises more than one dozen funds and covers the anticipated day-to-day costs of providing municipal service functions and ancillary support activities with the majority of monies tied to General and Enterprise Funds. The General Fund is Poway’s principal funding source and covers fire protection, law enforcement, parks and recreation, and community planning. Enterprise Funds are used to separately account for operations that are self-supporting and presently include water and wastewater. These two funds collectively account three-fourths of all budgeted operating expenses at the end of the report period.

The City of Poway’s overall adopted operating budget at the end of the five-year report period totaled \$88.2 million and has increased by 13.4% over the corresponding 60-month period.

City of Poway Operating Budget							
Table 7.1a (Source: City of Poway Adopted Financial Plan Fiscal Years)							
Category	2014-2015 Budgeted	2015-2016 Budgeted	2016-2017 Budgeted	2017-2018 Budgeted	2018-2019 Budgeted	Average	Trend
Budgeted Revenues	\$80,913,550	\$86,934,630	\$89,879,990	\$90,616,090	\$97,418,950	\$89,152,642	20.4%
Budgeted Expenses	\$77,815,420	\$82,807,429	\$83,002,079	\$81,651,461	\$88,244,546	\$82,704,187	13.4%
Expenses Per 1,000 Residents	\$1,591,317	\$1,689,948	\$1,676,810	\$1,659,583	\$1,782,718	\$1,680,075	12.0%

With respect to the City of Poway’s General Fund, budgeted expenses at the end of the report period totaled \$46.5 million and make up just over one-half of the overall operating budget.⁴⁰ Budgeted expenses for fire protection and emergency medical as well as law enforcement together make up over half of all allocated General Fund costs at \$12.6 and \$12.7 million, respectively. Markedly, the percentage of General Fund allocations for public safety have increased over the corresponding 60-month period by 17.8% and are the primary factors underlying an overall rise in General Fund budgeted expenses of 21.6%.

The City of Poway’s General Fund generally accounts for more than one-half of the operating budget and at the end of the report period tallied \$46.5 in budgeted expenses with 55% dedicated to public safety. Overall, budgeted General Fund expenses have increased during the five-year report period by 21.6%.

Budgeted General Fund revenues at the end of the report period totaled \$47.7 million and make up just under one-half of the overall operating budget. General Fund monies are primarily drawn from property and sales taxes and account for three-fourths – or 75.3% – of the budgeted total.⁴¹ Most of remaining quarter of General Fund monies are drawn from fees permits and transient occupancy tax. Budgeted General Fund revenues have increased over the corresponding 60-month period by 23.3%. A summary of recent actual revenues and expenses in the General Fund follows.

Budgeted General Fund revenues at the end of the report period totaled \$47.7 million with property and sale taxes expected to account for 46% and 30%, respectively, of the total.

City of Poway General Fund Annual Budgets							
Table 7.1b (Source: City of Poway Adopted Financial Plans)							
	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY2018-19 Adopted	Average	Trend
Revenues							
Property Tax	\$17,570,316	\$18,877,037	\$19,877,300	\$21,239,503	\$21,857,930	19,884,417	24.4
Sales Tax	\$12,520,103	\$13,172,467	\$13,774,763	\$13,981,478	\$14,105,860	13,510,934	12.7
Franchise Fees/ TOT	\$3,011,955	3,006,465	\$2,850,754	\$3,073,257	\$3,032,220	2,994,930	0.7
Fees, Charges, & Permits	\$5,420,343	\$6,133,134	\$6,261,687	\$6,555,293	\$6,158,440	6,105,779	13.6
Use of Property, Grants, Other	\$3,032,809	\$2,881,971	\$3,872,879	\$5,129,956	\$2,597,870	3,503,097	(14.3)
Other revenues	\$0	\$0	\$0	\$0	\$0	0	
Total Revenues	\$41,555,526	\$44,071,074	\$46,637,383	\$49,979,487	\$47,752,320	\$45,999,158	14.9%
Expenses							
Operating Expenses	\$37,444,549	\$39,261,320	\$40,958,299	\$43,563,554	\$46,020,946	41,449,734	22.9
Capital Projects/Programs	\$384,194	\$12,910,268	\$1,687,323	\$1,376,335	\$527,500	3,377,124	37.3
Total Expenses	\$37,828,743	\$52,171,588	\$42,645,622	\$44,939,889	\$46,548,446	\$44,826,858	23.1%
Transfers/Loans							
Total Transfers/Loans	(\$583,038)	(\$15,796,239)	(\$2,341,150)	(\$1,428,697)	(\$1,762,750)	(\$4,382,375)	(202.3%)
Net Activity	\$3,143,745	(\$23,896,753)	\$1,650,611	\$3,610,901	(\$558,876)	(\$3,210,074)	(117.8%)
Fund Balance (7/1)	\$22,101,289	\$25,245,034	\$1,348,281	\$2,998,892	\$6,609,793	\$11,660,658	(70.1%)
Fund Balance (6/30)	\$25,245,034	\$1,348,281	\$2,998,892	\$6,609,793	\$6,050,917	\$8,450,583	(76.0%)

⁴⁰ General Fund expenditures cover operating expenses for seven major departments: Legislative and Administrative, Finance, Community Services, Development Services, Public Works, Safety Services and Human Resources and Risk Management. Within the Budget, departments are further broken down into divisions such as “Fire Suppression” or “Park and Landscape Maintenance” and finally by line item expenses

⁴¹ The City receives 1¢ of the 7.75¢ sales tax for every dollar spent in Poway. Most of the remainder goes to the State and County.

With respect to the City of Poway’s Enterprise Fund, it accounts for water and wastewater operations and intended to be entirely self-supported through customer rates. This includes covering necessary operational expenditures, the purchase and treatment of raw water, and capital improvements to ensure a safe and reliable system of plant, pipes, pump stations, and reservoirs. Each utility service has an individual fund and any unspent budget from a utility’s annual operations is placed in reserve and is used for capital projects and to moderate future rate increases. Budgeted water and wastewater utility expenses at the end of the report period totaled \$24.3 and \$8.5 million, respectively, with closely matching revenues. Budgeted water utility costs have increased by 9.0% over the corresponding 60-month period while wastewater expenses have remained static. A summary of recent actual revenues and expenses in the Enterprise Fund follows.

The City of Poway’s budgeted Enterprise Fund expenses have diverged during the report period with water costs increasing by 9.0% from \$22.1 to \$24.1 million while budgeted wastewater costs remaining stagnant at \$8.5 million.

City of Poway Enterprise Fund Annual Budgets Table 7.1c (Source: City of Poway Adopted Financial Plans)							
	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY2018-19 Adopted	Average	Trend
Revenues (millions)							
Water	21.10	19.20	23.50	28.90	25.80	23.70	22.3
Wastewater	8.40	8.60	9.90	9.50	10.10	9.30	20.2
Total	\$29.50	\$27.80	\$33.40	\$38.40	\$35.90	\$33.00	21.7%
Expenses (millions)							
Water Operating	20.80	19.80	20.50	22.10	24.3	21.50	16.8
Water Capital	1.00	2.20	1.90	2.20	1.50	1.76	
Wastewater Operating	8.30	7.50	7.60	7.60	8.50	7.90	2.4
Wastewater Capital	0.0	0.30	2.40	0.79	0.25	0.75	
Total	\$30.10	\$29.80	\$32.40	\$32.69	\$34.55	\$31.91	14.8%

With respect to budget management, the City of Poway maintains a reserve policy to maintain a balance within the General Fund to cover no less than 45% of its annual operating costs. This policy requirement was established in 2016 and protects against major economic downturns or natural disasters. Poway also maintains policies covering budget development and adoption as well as ongoing management. This includes a detailed debt management policy in 2015 to ensure sound and uniform practices for issuing and managing bonds and other forms of indebtedness. This document also protects the City’s high credit rating and minimizes its borrowing costs.

The City of Poway is obligated under adopted policy to maintain a 45% General Reserve Fund. This amount was set in 2016 and serves as a buffer against potential natural disasters or economic downturns. The reserve contribution at the end of the five-year report period was \$1,477,210.

7.2 Financial Statements

The City of Poway contracts with an outside accounting firm to prepare an annual report to review the City’s financial statements in accordance California Government Code and established governmental accounting standards.⁴² This includes auditing Poway’s statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing Poway’s short and long-term fiscal health with specific focus on delivering its activated service functions. The current outside consultant is Davis Farr LLP (Irvine). The City was awarded a Certificate in Achievement for Excellence in Financial Reporting for its FY 2016-17 and FY 2017-18 Financial Reports.

Poway’s most recent financial statements for the five-year report period were issued for 2018-19. These statements show Poway experienced a modest improvement over the prior fiscal year as the overall net position (regular accrual basis) increased by 1.4% from \$233.6 million to \$236.9 million and primarily attributed to a net total surplus. The net position also increases to \$288.4 million with an adjustment to excluded booked pension liabilities. The accompanying auditor’s report did not identify any material weaknesses or related accounting concerns. A detailing of year-end totals and trends during the five-year report period follows with respect to assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2018-2019)	
Assets	303,604,857
Liabilities	75,176,183
Deferred Outflow/Inflow	8,520,288
Net Position	\$236,948,962
Adjusted Net Position (Less pension liabilities)	\$288,369,309

Agency Assets

The City of Poway’s audited assets at the end of 2018-19 totaled \$303.6 million and 8.4% higher than the average year-end amount of \$280.8 million documented during the five-year period. Assets classified as current with the expectation they could be liquidated within a year represented more than two-fifths – or 44.6% – and largely tied to cash and investments. Assets classified as non-current and not readily liquid make up the remainder and total \$168.2 million with over nine-tenths tied to capital assets. Overall, Poway’s total assets increased by \$23.4 million or 8.4% over the corresponding 60-month period.

The City of Poway’s assets increased by nearly one-tenth – or 8.4% - during the report period from \$280.2 to \$303.6 million and includes both cash/equivalents and capital holdings.

City of Poway Audited Assets							
Table 7.2a Source: City of Poway							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	116,366,577	116,146,939	120,835,322	126,710,643	135,387,369	123,089,370	16.3%
Non-Current	163,979,981	146,269,884	142,236,281	167,844,117	168,217,488	157,673,150	2.7%
Total	280,164,558	262,416,823	263,071,603	294,554,760	303,604,857	280,762,520	8.4%

⁴² The California Government Code requires all General Law cities, such as Poway, to be audited annually by independent certified public accountants selected by the City Council.

Agency Liabilities

The City of Poway’s audited liabilities at the end of 2018-2019 totaled \$75.2 million and 11.1% higher than the average year-end amount of \$67.7 million documented during the five-year report period. Liabilities classified as current and representing obligations owned within the year accounted for nearly one-fifth of the amount and were primarily tied to accounts payable and near-term debt payments. Liabilities classified as non-current and considered long-term debts make up the remainder of the total amount with the largest single obligation tied to assuming remaining bond payments as successor agency to the Poway Redevelopment Agency. Overall, total liabilities increased by \$15.0 million or 25.0% over the corresponding 60-month period.

The City of Poway’s liabilities increased by one-fourth – or 25.0% – during the report period from \$60.1 to \$75.2 million and attributed to assuming debt from the Poway Redevelopment Agency.

City of Poway Audited Liabilities							
Table 7.2b Source: City of Poway							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Current	8,929,431	8,018,236	9,695,714	10,092,256	12,199,803	9,787,088	36.3%
Non-Current	51,212,812	54,850,048	58,248,088	62,182,851	62,976,380	57,894,036	23.0%
Total	60,142,243	62,686,284	67,943,802	72,275,107	75,176,183	67,681,124	25.0%

Net Position

The City of Poway’s audited net position or equity at the end of 2018-2019 totaled \$236.9 million and represents the difference between the City’s total assets and total liabilities along with adjusting for deferred resources (i.e. pension outflows and inflows). This most recent year-end amount is 8.5% higher than the average year-end sum of \$218.3 million during the five-year report period. The majority of the net position – close to three-fifths – is tied to capital assets. The remainder is comprised of restricted and unrestricted designations with the latter representing monies and equivalents that can be used to finance day to day operations without outside constraints. Overall, the net position increased by 21.2 million or 9.8% over the corresponding 60-month period.

The City of Poway’s net position has increased over the report period from \$215.79 million to \$236.95 million; a change of 9.8%.

City of Poway Audited Net Position							
Table 7.2c Source: City of Poway							
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average	Trend
Invested in Capital	123,168,706	117,989,285	114,962,340	140,612,899	143,404,199	128,027,486	16.4%
Restricted	27,815,593	20,846,798	20,453,766	20,641,475	22,034,222	22,358,371	(20.8%)
Unrestricted	64,802,413	62,522,444	68,452,332	72,335,391	71,510,541	67,924,624	10.4%
Total	\$215,786,712	\$201,358,527	\$203,868,438	\$233,589,765	\$236,948,962	\$218,310,481	9.8%

The City of Poway’s net position accounts for multiple funds with the General Fund serving as the primary funding source in terms of both revenues and expenses. The spendable portion of the General Fund at the end of the report period totaled \$50.8 million. This amount is either unassigned or can become unassigned by the City Council and equals 12.1 months of actual operating expenses in 2018-2019.

The City of Poway’s spendable balance within its General Fund at the end of the report period is sufficient to cover 12 months of normal operating expenses.

7.3 Measurements | Liquidity, Capital, and Margin

LAFCO’s review of the audited financial statement issuances by City of Poway covering the five-year report period shows the City experienced mixed trends in the standard measurement categories – liquidity, capital, margin, and structure – utilized in this document. Positive trends are marked by Poway improving its total margin (i.e. bottom line) each year during the report period and generating an overall average of 1.8%. Negative trends are marked by decreasing liquidity levels with the amount of days’ cash falling by (16.2%) from 1,115 to 935 over the 60-month period. A summary of these standard measurements follows and further detailed in the associated table.

Standard measurements used to assess the City of Poway’s financial standing shows the City trended negatively in most categories during the report period and most notably in liquidity levels.

City of Poway Financial Measurements Table 7.3a Source: San Diego LAFCO								
Fiscal Year	Current Ratio	Days’ Cash	Debt Ratio	Debt to Net Position	Total Margin	Operating Margin	Operating Reserves Ratio	Equipment Replacement
2014-2015	13.0 to 1	1,115	23.9%	27.3%	(1.2%)	5.6%	164.4%	23.7
2015-2016	14.5 to 1	1,001	25.5%	30.3%	(0.7%)	5.5%	148.4%	25.6
2016-2017	12.5 to 1	891	25.4%	29.4%	2.8%	(4.8%)	140.0%	26.2
2017-2018	12.6 to 1	848	23.9%	27.0%	3.5%	(1.0%)	140.2%	28.0
2018-2019	11.1 to 1	935	24.4%	27.1%	3.5%	(1.5%)	141.3%	29.1
Average	12.7 to 1	958	24.6%	28.2%	1.8%	0.6%	146.9%	26.5
Change	(14.9%)	(16.2%)	1.8%	(0.9%)	439.1%	(127.3%)	(14.1%)	22.7%
Trend	Negative	Negative	Negative	Positive	Positive	Negative	Negative	Negative

Current Ratio (Liquidity)

Compares available assets against near-term obligations; means for every dollar in liability the agency has one dollar available to pay.

Days’ Cash (Liquidity)

Measures the number of days the agency can fund normal operations without any new cash income.

Debt Ratio (Capital)

Measures the relationship between the agency’s total assets and liabilities; the higher the ratio the more susceptible the agency is to long-term cash flow stresses.

Debt to Net Position (Capital)

Measures the amount of long-term debt or borrowing of the agency against its accumulated net worth; an appropriate maximum standard threshold is 50%.

Total Margin (Margin)

Measures the bottom line of the agency with respect to comparing all revenues to all expenses.

Operating Margin (Margin)

Measures the relationship between core operational revenues and expenses and excludes one-time transactions, like grants and loans.

Operating Reserves Ratio (Structure)

Measures the percent of available monies of an agency to cover unforeseen shortfalls; an appropriate maximum standard threshold is 50%.

Equipment Replacement Ratio (Structure)

Measures the average age of depreciable equipment and facilities; the lower the number the younger the infrastructure with the assumption therein better efficiencies/effectiveness.

7.4 Pension Obligations

The City of Poway provides a defined benefit plan to its employees through an investment risk-pool contract with the California Public Employees Retirement Systems (CalPERS). This pension contract provides employees with specified retirement benefits based on the date of hire and placement in one of two broad categories: miscellaneous and safety. Additional pension details based on actuarial valuations issued by CalPERS during the five-year report period with respect to enrollees, formulas, and funding status follows.

Pension Enrollees and Formulas

The last annual valuation issued during the five-year report period followed 2018-2019 and identified 817 total enrollees within the City of Poway’s pension program. This total represents an overall increase of 83 – or an average of 21 each year – during the corresponding 48-month period in which information is readily available dating back to 2015-2016. The total is also divided between enrollee type (i.e., active, separated, transferred, retired) and produces a current positive worker-to-retiree ratio of 1.6 to 1. More than four-fifths – or 82% – of all pension enrollees are termed as miscellaneous with most receiving a defined benefit of 2.0% at 55. This formal provides eligible retirees with 30 years of total service credit 60% of their highest one year of salary each year beginning at age 55. New miscellaneous hires now receive a defined benefit of 2.0% at 62. The remaining enrollees are termed as safety with most receiving a defined benefit of 3.0% at 50. This ratio has been reduced for new safety hires to 2.7% at 57.

The City of Poway finished the report period with 497 enrollees within its pension program with CalPERS. Over four-fifths of all enrollees are non-public safety and receive a defined benefit formula of 2.0% at 55.

City of Poway Pension Enrollee Information Table 7.4a Source: CalPERS						
Type	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Active	n/a	221	228	231	235	6.3%
Transferred	n/a	149	144	145	142	(4.7%)
Separated	n/a	97	111	111	120	23.7%
Retired	n/a	267	283	304	320	19.9%
Total Enrollees	n/a	467	483	487	497	6.4%
Worker-to-Retiree Ratio	n/a	1.7 to 1.0	1.7 to 1.0	1.6 to 1.0	1.6 to 1.0	(11.2%)

Pension Funding Status

The City of Poway’s pension program is currently underfunded with a composite unfunded liability of \$56.5 million at the end of the report period. This amount reflects the accrued monies owned and not covered by assets in all pension programs (miscellaneous and safety) and translates to a composite funded ratio of 70.0% based on market value. Overall, Poway’s funded ratio has slightly decreased by (0.4%) during the corresponding 48-month period in which information is readily available.

The City of Poway’s combined funded ratio at the end of the report period tallied 70.0% with an overall change of (0.4%).

City of Poway Pension Funding Status Table 7.4b Source: CalPERS						
Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Trend
Pension Assets	n/a	109,952,110	118,973,881	126,666,595	131,600,399	19.69%
Pension Liabilities	n/a	156,609,204	166,446,398	182,145,103	188,122,353	20.12%
Net (Unfunded Liability)	n/a	(46,657,094)	(47,472,517)	(55,478,508)	(56,521,954)	21.14%
Funded Ratio	n/a	70.21%	71.48%	69.54%	69.95%	(0.36%)