

**ADOPTION OF RESOLUTION FOR ANNEXATION INTO THE SAN DIEGO COUNTY
SANITATION DISTRICT FOR THE TROY STREET SLEEPING CABINS SITE AND RELATED
CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION**

Terms and Conditions

The following are Terms and Conditions for the detachment and annexation of the Troy Sweetwater property (the "Property") from Lemon Grove Sanitation District (LGSD) and the subsequent annexation of the Property to the San Diego County Sanitation District (SDCSD) consistent with California Government Code Section 56886.

- The Property is subject to all applicable SDCSD capacity fees, sewer service fees, annexation fees and all other SDCSD fees and charges; that the discharge of effluent from the Territory into the SDCSD system be subject to all applicable SDCSD Ordinances, Resolutions and Policies; and that the County enter into a Sewer Service Agreement with the SDCSD addressing the conditions under which the Territory may be connected to the SDCSD's sewer system.
- LGSD shall pay any required fixed amount, determined through financial analysis, that is necessary to ensure continued service to the Property.
- To provide for any required financial settlement with LGSD, the following charges may be levied on the Property:
 - Special or additional assessments on the affected territory, if required.
 - Additional service charges or sewer rates imposed by SDCSD.
 - Any combination of the above as determined by LAFCO.
- The Property shall remain liable for any outstanding bonds, contractual obligations, or indebtedness previously incurred by LGSD. SDCSD shall not assume any financial obligations of LGSD unless otherwise specified in the terms of annexation.
- If the annexation results in a change in the total bonded indebtedness of LGSD or SDCSD, LAFCO shall specify the adjusted amount that shall be included or excluded from any applicable debt limits under state law.
- If necessary to equitably allocate the cost-of-service extensions or infrastructure improvements, LAFCO may require the formation of a new improvement district within SDCSD or the annexation of the affected territory into an existing improvement district.
- The Property shall be required to incur new indebtedness or financial obligations for necessary sewer system upgrades, if necessary.
- Ownership and maintenance responsibility for all public sewer lines, pumping stations, and related infrastructure within the affected territory shall be transferred from LGSD to SDCSD as of the effective date of annexation.
- All funds, reserves, and accounts related to the provision of sewer services for the affected territory shall be transferred to SDCSD unless otherwise determined by LAFCO.
- Existing sewer capacity rights for properties in the annexed area shall be preserved and transferred to SDCSD.
- SDCSD shall assume all responsibilities for sewer service delivery, billing, and maintenance for the affected territory.

- If applicable, employees assigned to sewer service operations in the annexed area may be transferred to SDCSD under mutually agreed conditions, preserving existing employment rights and benefits.
- SDCSD shall be the designated successor agency for sewer-related obligations of LGSD within the affected area.
- No changes to the governing structure of SDCSD will be required as a result of this annexation.
- The annexation shall become effective on the date specified in LAFCO's resolution of approval, subject to the provisions of Government Code Section 57202.
- LAFCO shall ensure that sewer service remains uninterrupted during the transition from LGSD to SDCSD.
- The annexed area shall be subject to:
 - Existing and future sewer service fees imposed by SDCSD.
 - Any general or special taxes necessary for sewer service, subject to voter approval where required.
- Any existing LGSD-imposed fees, taxes, or assessments on the annexed area shall be discontinued unless explicitly required by LAFCO.
- SDCSD shall assume full responsibility for the administration, collection, and expenditure of sewer-related taxes, assessments, and bond revenues for the Property.