



**Chairman**

Andrew L. Vanderlaan  
Public Member

August 6, 2007

**9A**

**Vice Chairman**

Bill Horn  
County Board of  
Supervisors

TO: Local Agency Formation Commission

**Members**

Toni Atkins  
Councilmember  
City of San Diego

FROM: Executive Officer  
Local Governmental Analyst

Dianne Jacob  
County Board of  
Supervisors

SUBJECT: Updates of Sphere of Influence and Municipal Service Review Summaries

Andrew J. Menshek  
Padre Dam  
Municipal Water District

Each year, the document containing narrative descriptions of adopted spheres and all related sphere activity for each special district in San Diego County are distributed to Commissioners. This publication has been expanded to include a summary of completed Municipal Service Reviews (MSRs) and thus is now entitled *Special Districts Sphere of Influence & Municipal Service Review Summaries*.

Carl Hilliard  
Mayor  
City of Del Mar

Bud Pocklington  
South Bay Irrigation District

Over the last year, your Commission approved a total of approximately 22 minor sphere amendments; deliberated on 39 special district sphere reviews; and established 3 spheres of influence.

Betty Rexford  
Councilmember  
City of Poway

**Alternate Members**

The document, which reflects sphere activity over the past year, has been included in your agenda packet. It is therefore,

Mark Lewis  
Mayor  
City of El Cajon

**RECOMMENDED: That your Commission,**

Greg Cox  
County Board of  
Supervisors

Accept and approve the 2007 *Special Districts Sphere of Influence & Municipal Service Review Summaries*.

John S. Ingalls  
Santa Fe  
Irrigation District

Respectfully submitted,

Harry Mathis  
Public Member

Kevin Faulconer  
City of San Diego  
Representative

MICHAEL D. OTT  
Executive Officer

CLAIRE RILEY  
Local Governmental Analyst

**Executive Officer**

Michael D. Ott

MDO:CR:tjc

**Counsel**

William D. Smith

Enclosure

August 6, 2007

**9B**

TO: Local Agency Formation Commission

FROM: Executive Officer

SUBJECT: Sphere of Influence and Municipal Service Review: Special Districts

### **EXECUTIVE SUMMARY**

There are 91 special districts in San Diego County responsible for providing over 15 different types of services within both the incorporated and unincorporated portions of the County. The services provided by special districts vary depending upon the needs of particular communities, available finances, anticipated population growth, and service demands. For example, thirteen cities are provided water or wastewater services by single-purpose water / wastewater districts, and two cities receive water service by private companies. In the unincorporated area, a combination of single-purpose and multiple-purpose districts provide a full range of municipal level services to an estimated population of 465,553 (SANDAG, 2006 Population Estimate). In terms of the overlap of special districts boundaries within municipalities, the total population served by special districts in San Diego County swells to a staggering 1.7 million people.

Beginning in 2001, LAFCOs throughout California became responsible for evaluating how well services are provided by local agencies. This evaluation is referred to in State Law, as a Municipal Service Review (MSR). MSR evaluations cover a broad spectrum of service delivery, operational, and jurisdictional categories, such as: infrastructure needs and deficiencies, growth and population projections, financing constraints, cost avoidance opportunities, rate restructuring opportunities, opportunities for shared facilities, government structure options, management efficiencies, and local accountability and governance. The MSR evaluation requirements are codified in Government Code Section 56430 and assist LAFCO with the establishment and update of Spheres of Influence. Spheres are jurisdictional planning tools that depict the probable physical boundaries and service area of local agencies. The requirement to establish spheres of influence has been a State Law for over 30 years and the emphasis in San Diego County has recently shifted from one of "sphere adoption" to one of

“sphere review and update”. To be effective jurisdictional planning tools, spheres need to be reviewed regularly and updated, as necessary. State Law requires that when spheres of influence are updated, MSRs need to be prepared. MSRs are not required when spheres are amended or affirmed.

The San Diego LAFCO's service review and sphere update program is predicated on a phased evaluation procedure. LAFCO's Special Districts Advisory Committee assisted with the development and review of this procedure. In 2001, those agencies that requested sphere updates or were experiencing jurisdictional/service issues were placed within the first phase of reviews. All other local agencies were placed in the second review phase. The first phase of sphere and/or service reviews have been completed involving 70 special districts.

The 21 remaining agencies within the second phase will generally be subject to a more routine review. Accordingly, the August 6, 2007 staff report, *Sphere of Influence and Municipal Service Review: Special Districts* contains recommendations for the Commission to review and reaffirm all remaining spheres of influence for special districts. The August 6<sup>th</sup> report also contains recommendations to establish one comprehensive MSR data base and to reaffirm all existing adopted sphere and MSR determinations made within the past five years. LAFCO's Special Districts Advisory Committee assisted with the development of the information categories used to establish the MSR and sphere data. Approval of the staff recommendations will bring all special districts in San Diego County into compliance with the Sphere of Influence and Municipal Service Review requirements in State Law (Government Code Section 56425(g)). This law requires that on or before January 1, 2008, the Commission must as necessary, review and update each sphere of influence.

As discussed in various sections of this report, the 91 special districts subject to LAFCO jurisdiction generally provide diverse services adequately throughout the County. Review of the information in LAFCO's data base indicates that while revenues to support the levels of services provided by a majority of these agencies are adequate to support the operations and capital/replacement needs, the future requirements for future improvements or emergency needs are of concern. Accordingly, it is proposed that smaller and more rural districts closely monitor revenues, including service charges and property taxes and contingency reserves, due to the smaller customer base and tendency for higher per capita costs in many of these outlying rural areas.

Additionally, it is noteworthy that many special districts have strategic plans and master plans for facilities and services that provide for “build-out” to 2020 and beyond. Through these planning processes, many districts have shown regional vision and planning foresight to respond to a changing demographic and economic environment. Recent examples are the four public cemetery districts initiating a system-wide service review with LAFCO in 2006-07; 28 structural fire protection agencies serving unincorporated San Diego County that participated in a comprehensive life safety study administered by LAFCO; east county water and wastewater agencies that collaborated on a consolidation proposal resulting in the dissolution of the Riverview Water District; and agencies in the north central part of the County that helped untangle some complicated service provision issues (City of San Diego, Olivenhain Municipal Water District, and Rancho Santa Fe Community Services District). In addition, there are several ongoing LAFCO service provision studies involving the municipal water districts in Bonsall / San Luis Rey Hydrologic area and the Borrego Valley that will

likely result in improved service for county residents. Tremendous cooperation on the part of districts, county, and city officials made these studies and reports possible.

The vast majority of the districts and County agencies were very cooperative with providing LAFCO staff data during the evaluation process; however, due to the variety of information needed, some districts experienced difficulty providing basic information. In some cases, district officials did not understand the nexus of LAFCO's role and importance with coordination of service delivery. It is hoped that with the release of the *Special District Sphere of Influence and Municipal Service Review*, the importance of this LAFCO process will be better understood among the region's service providers. LAFCO staff will make an extra effort to establish and maintain dialogue with district officials to improve the communication and understanding of the service review and sphere process. This will be helpful for the next update planned for 2012.

*A number of LAFCO staff assisted with the preparation of this report and supporting documents. Local Governmental Analyst Claire Riley helped develop the special district survey that was used to collect service delivery and organizational information; former Executive Assistant Jan Bryson and Administrative Aide Tammy Luckett collected and placed information into LAFCO's data base; and Local Governmental Consultant Harry Ehrlich and Chief of Governmental Services Ingrid Hansen assisted with data verification and interpretation.*

In conclusion, based on the *Special Districts Sphere of Influence and Municipal Service Review Summaries and the Service Review and Sphere of Influence Data Summary: Profiles of Special Districts in San Diego County*, it is recommended that the Commission approve these documents and direct the Executive Officer to prepare the necessary determinations and resolutions. Specific recommendations and actions for the Commission to consider are listed at the end of this report.

## **Legislative Authority**

### *Spheres of Influence*

As established by State Law in 1963, Local Agency Formation Commissions (LAFCOs) were created to oversee jurisdictional boundary changes and changes to local governmental structure. A component of subsequent legislation obligated the Commission to develop and adopt spheres of influence for each city and special district. Defined in State Law as a "plan for the probable physical boundary and service area of a local agency," a sphere is an advanced planning tool that guides LAFCO in the achievement of broad statewide goals of promoting efficient provision of public services, encouraging orderly growth, discouraging urban sprawl, and avoiding duplication of service delivery. Inclusion within an agency's sphere does not guarantee annexation because a sphere is only one of several factors considered during deliberations. Instead, inclusion in an agency's sphere is a prerequisite for annexation or other jurisdictional change.

To carry out the responsibility for planning and shaping logical and orderly development, as well as coordinating governmental structure to benefit the present and future needs of residents, LAFCO not only develops spheres of influence, but it also enacts policies designed to promote those goals. A variety of circumstances – such as changes to general

plan designations or zoning, or enactment of legislation affecting revenues – may affect an agency’s ability to serve additional territory. State Law recognizes the importance of periodically reviewing spheres, and has directed LAFCOs to evaluate and update existing spheres at least every five years or more often, as necessary. Spheres are instrumental in providing guidance for jurisdictional boundary changes and promoting efficient delivery of community services. Accordingly, San Diego LAFCO has adopted Legislative Policy L-102, which governs the manner in which the Commission establishes and updates spheres of influence.

Pursuant to San Diego LAFCO’s Policy L-102, once an agency’s sphere has been adopted, affirmed or updated, the Commission discourages major sphere amendments. However, the Commission has acknowledged that exceptions should be accommodated for specific circumstances. Exceptions to limiting sphere amendments subsequent to an update include: (1) public health or safety risks, such as septic system failure; (2) a proposal involving property that is split by a sphere boundary; (3) a reorganization between two consenting districts; and (4) a situation where the sphere review failed to anticipate a need for public services, and conditions have significantly changed.

While inclusion within an agency’s sphere does not guarantee that an area will be automatically annexed, great weight is placed on sphere boundaries in reviewing individual boundary change proposals. In fact, inclusion in an agency’s sphere is a legal prerequisite to annexation. In determining a sphere, the Commission is required to consider and adopt the following written determinations:

- (1) The present and planned land uses in the area, including agricultural and open space lands;
- (2) The present and probable need for public facilities and services in the area;
- (3) The present capacity of public facilities and adequacy of public services, which the agency provides or is authorized to provide; and
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

### *Sphere Update Procedures*

To make sure that spheres remain as effective jurisdictional planning tools, they need to be regularly reviewed, and either updated, amended, or affirmed. State Law requires that LAFCO review and update spheres every five years, as necessary. The San Diego LAFCO developed a phased approach for determining whether a sphere update is required. First, a preliminary evaluation of the agency’s existing sphere is conducted. A preliminary evaluation was conducted in 2001 to determine which agencies should be subject to comprehensive updates. The initial evaluation focused on the level of sphere activity since the sphere originally was adopted, and contained an analysis of specific factors including: population growth changes; increased need for service; present capacity; major infrastructure needs or deficiencies; existing contractual service agreements; potential areas of sphere expansion; and anticipated future projects that would require sphere amendments. The preliminary evaluation culminated in one of the following

recommendations: (1) affirm or slightly modify the existing sphere; or (2) conduct a more comprehensive sphere update study, which could result in major changes to the agency's sphere.

Those agencies that were subject to a sphere update were placed within the first phase of reviews conducted in San Diego County. All other agencies were placed in a lower priority level and designated as phase two agencies. The first phase of sphere and/or service reviews involved 70 agencies and were completed throughout 2003 - 2007. As previously discussed, the 21 remaining agencies will generally be subject to a more routine review. The following sphere studies and service reviews have been completed to date:

*North County Inland MSR and Sphere Update (September 8, 2003)*

- City of Escondido
- Rincon del Diablo Municipal Water District
- Valley Center Municipal Water District

*Southern San Diego County Water and Sewer MSR (February 2, 2004)*

- City of Chula Vista
- Helix Water District
- Lemon Grove Sanitation District
- Otay Water District
- Padre Dam Municipal Water District
- Spring Valley Sanitation District
- Sweetwater Authority (South Bay Irrigation District)

*North Central San Diego MSR and Sphere Update (May 2, 2005)*

- Olivenhain Municipal Water District
- Rancho Santa Fe Community Services District
- City of San Diego (portion)
- Santa Fe Irrigation District

*Special District Sphere Review (November 7, 2005)*

- Canebrake County Water District
- Carlsbad Municipal Water District
- Cuyamaca Water District
- Lemon Grove Sanitation District
- Mootamai Municipal Water District
- Oceanside Small Craft Harbor District
- Pauma Municipal Water District
- Pauma Valley Community Services District
- Questhaven Municipal Water District
- Rincon Ranch Community Services District
- San Dieguito Water District
- Valley Center Community Services District
- Wynola Water District
- Yuima Municipal Water District

*Upper San Diego River MSR and Sphere Update (September 9, 2006)*

- Padre Dam MWD
- Lakeside WD
- Helix WD
- Lakeside Sanitation District
- Riverview WD

*Cemetery District MSR/SOI Update (April 02, 2007)*

- North County Cemetery District
- Pomerado Cemetery District
- Ramona Cemetery District
- Valley Center Cemetery District

*Fire Protection and Emergency Medical MSR and Sphere Review (May 05, 2007)*

- Alpine FPD
- Bonita-Sunnyside FPD
- Borrego Springs FPD
- Deer Springs FPD
- East County FPD
- Julian-Cuyamaca FPD
- Lakeside FPD
- Lower Sweetwater FPD
- Mootamai MWD
- North County FPD
- Pauma MWD
- Pine Valley FPD
- Ramona MWD
- Rancho Santa Fe FPD
- Rincon del Diablo MWD
- San Diego Rural FPD
- San Marcos FPD
- San Miguel FPD
- Valley Center FPD
- Vista FPD
- Yuima MWD
- CSA 107 (Elfin Forest)
- CSA 109 (Mt. Laguna)
- CSA 110 (Palomar Mountain)
- CSA 111 (Boulevard)
- CSA 112 (Campo)
- CSA 113 (San Pasqual)
- CSA 115 (Pepper Drive)
- CSA 135 (SD Regional Communications/Fire)

## County Sanitation District MSR/SOI Update Study (June 04, 2007)

- Lakeside SD
- Alpine SD
- Pine Valley SD
- Spring Valley SD
- Julian SD

### **Municipal Service Review (MSR)**

Beginning in 2001, LAFCO was assigned the responsibility to conduct comprehensive studies, known as an Municipal Service Review (MSR) in addition to determining spheres of influence. An MSR must be conducted prior to or in conjunction with adoption of new sphere of influence (SOI) or sphere updates. The goal of an MSR is to gather and analyze information in order to make specific determinations related to the efficiency and effectiveness of municipal service delivery. The focus of an MSR is an evaluation of service delivery in a specified geographic region rather than an examination of individual public agencies. A comprehensive MSR is not necessary when it can be determined that an existing sphere can be reaffirmed or would be subject to a minor adjustment. Based upon the law, on or before January 1, 2008, LAFCO's are required to, as necessary, review and update all special district and city spheres (Government Code Section 56425(g)).

Responding to the Governor's Office of Planning and Research's delay in adopting MSR Guidelines, the San Diego LAFCO initiated its municipal service review program in 2002 after adopting local service review guidelines, which provide the procedures to fulfill the mandate. By the end of 2004, LAFCO had completed three MSR reports involving a number of local agencies. In early 2005, an MSR covering 28 special districts that provide fire protection and emergency medical services was finalized; a corresponding sphere review of the fire protection agencies was completed in May 2007; a sphere review consisting of four cemetery districts was completed in May 2007; and a sphere review of County Sanitation Districts was completed in June 2007. As noted earlier, several other agencies are currently subject to LAFCO's service review and sphere update process and may be considered later in the year.

There is legislation under consideration this year, AB 1744 (Committee on Local Government-Omnibus) that may modify and simplify the determinations made for MSR and sphere studies. The proposed revisions are consistent with the results the sphere and MSR studies completed by the San Diego LAFCO. Depending on the outcome of AB 1744, the *Sphere of Influence and Municipal Service Review: Special Districts* may be resubmitted to the Commission in early 2008 for ratification.

### **RESULTS: SPHERE AND SERVICE REVIEW**

As noted above, beginning in 2001, the San Diego LAFCO began a major program of reviewing and updating spheres of influence for local agencies in San Diego County. Since the program was initiated, sphere reviews and MSRs involving 70 agencies have been adopted by the Commission. The 21 remaining special districts within the second review phase do not present major issues; therefore, it is recommended that most of the spheres for remaining agencies be re-affirmed. With exception of several agencies where special

study area designations should be placed, none of the special districts involved in this sphere of influence evaluation and service review report requested a comprehensive sphere update or service review at this time. In addition, current conditions do not warrant a major sphere amendment or comprehensive service review at this time.

The following is a status report of the spheres of influence and service reviews for each group of special districts in the County. Comments and recommendations are provided relative to any conclusions or conditions for warranting future analysis and action. Upon approval by the Commission, LAFCO staff will prepare specific determinations for incorporation into the respective sphere and MSR resolutions.

### **Sphere and Service Review Status Report**

**California Water Districts:** Borrego Water District; Cuyamaca Water District; Wynola Water District. Number of districts: 3

**Conclusions:** Borrego WD is currently undergoing an MSR and sphere update in conjunction with Borrego Park CSD. A LAFCO staff report is anticipated to be presented to the Commission by the end of 2007. Therefore, at this time, the Borrego WD's sphere is proposed to be affirmed, with the understanding that it may be subject to an amendment per the comprehensive update that is underway. No sphere activity or jurisdictional issues are associated with the Cuyamaca Water District and Wynola Water District. The spheres for these two districts were affirmed on November 7, 2005 and should be reaffirmed. **Recommended Commission Action:** Reaffirm spheres for the Borrego Water District, Cuyamaca Water District, and Wynola Water District. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Cemetery Districts:** North County Cemetery District; Pomerado Cemetery District; Ramona Cemetery District; Valley Center Cemetery District. Number of districts: 4

**Conclusions:** An MSR and sphere update involving each of these agencies was approved by the Commission on April 2, 2007; therefore, the Commission's April 2 action should be affirmed. **Recommended Commission Action:** Re-affirm spheres and MSR for the North County Cemetery District, Pomerado Cemetery District, Ramona Cemetery District, and Valley Center Cemetery District. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Community Services Districts:** Borrego Springs Park CSD; Descanso CSD; Fairbanks Ranch CSD; Jacumba CSD; Julian CSD; Majestic Pines CSD; Morro Hills CSD; Pauma Valley CSD; Rancho Santa Fe CSD; Rincon Ranch CSD; Valley Center CSD; Whispering Palms CSD. Number of districts: 12

**Conclusions:** Pauma Valley CSD, Rincon Ranch CSD and Valley Center CSD spheres were reviewed and affirmed on November 7, 2005 and no new information

was identified warranting any changes. As previously noted in this report, the Borrego Springs Park CSD is being studied under an MSR/Sphere Update with Borrego WD. That study should be completed in late 2007. Accordingly, it would be acceptable to reaffirm the Borrego Springs Park CSD at this time, with the understanding that the sphere may be subject to an amendment per the comprehensive update that is underway. The Rancho Santa Fe CSD sphere was recently updated on May 2, 2005, and with exception of some discussions the CSD board has had about exploring the activation of various latent powers, no sphere activity has occurred since the sphere update. The balance of agencies in the CSD category were found to be operating adequately and the related spheres for the CSDs are proposed to be affirmed at this time. **Recommended Commission Action:** Reaffirm the spheres for the Borrego Springs Park CSD, Descanso CSD, Fairbanks Ranch CSD, Jacumba CSD, Julian CSD, Majestic Pines CSD, Morro Hills CSD, Pauma Valley CSD, Rancho Santa Fe CSD, Rincon Ranch CSD, Valley Center CSD, and Whispering Palms CSD. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**County Sanitation Districts:** Alpine SD; Julian SD; Lakeside SD; Pine Valley SD; Spring Valley SD; Buena Sanitation District, Lemon Grove SD. Number of districts: 7

**Conclusions:** With exception of Buena SD, each of spheres for the County Sanitation Districts has been reviewed and the associated spheres recently adopted / updated by the Commission. Accordingly, all of the sanitation district spheres should be affirmed. Buena SD is governed by the City of Vista and is primarily located within the City. Therefore, the transitional (Zero) sphere that was adopted for the Buena SD in 1984 should be reaffirmed. The LAFCO restriction prohibiting annexations to agencies with transitional spheres should be waived for the Buena SD and Lemon Grove SD. **Recommended Commission Action:** Re-affirm spheres for the Alpine SD, Julian SD, Lakeside SD, Pine Valley SD, Spring Valley SD, Lemon Grove SD, and Buena SD. Waive the LAFCO restriction prohibiting annexations to agencies with transitional spheres. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**County Service Areas (Miscellaneous Services):** CSA 26 (Rancho San Diego); CSA 81 (Fallbrook); CSA 83 (San Dieguito); CSA 122 (Otay Mesa); CSA128 (San Miguel); CSA 136 (Sundance Detention Basins). Number of districts: 6

**Conclusions:** Each CSA is a dependent entity of county government and responsible for providing local funding resources for various services, such as planning, landscape and drainage services, sewer collection and parks/recreation facilities, etc. No changes in CSA boundaries were identified and the spheres of the CSAs should be affirmed at this time. **Recommended Commission Action:** Re-affirm the spheres for CSA 26 (Rancho San Diego); CSA 81 (Fallbrook); CSA 83 (San Dieguito); CSA 122 (Otay Mesa); CSA128 (San Miguel); CSA 136 (Sundance Detention Basins). Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**County Water Districts:** Canebrake County WD; Coachella Valley WD; Leucadia Wastewater District; Vallecitos WD. Number of districts: 4

**Conclusions:** The Canebrake County WD's sphere was affirmed on November 7, 2005 and should be reaffirmed because there are no jurisdictional or sphere issues warranting a sphere update. The San Diego LAFCO is not responsible for adopting a sphere for the Coachella WD, because it is a multi-county district and the majority of the agency is in Riverside County. Accordingly, the Coachella Valley WD is under the jurisdiction of Riverside LAFCO. No amendments to that agency's sphere are anticipated in San Diego County. Affirming the Riverside LAFCO's sphere determination would therefore be appropriate. The Leucadia Wastewater (County Water) District's sphere was recently amended to correct boundary service areas with the Vallecitos WD and City of Carlsbad. No additional sphere changes were identified. The Leucadia Wastewater District is studying a possible annexation of a business and residential area along Highway 1 within its sphere area. However, that action does not warrant an amendment to the sphere at this time. Therefore, affirming the existing Leucadia Wastewater sphere would be appropriate. The Vallecitos WD has updated its master plan and has had 35 sphere amendments since the sphere was adopted in 1985. An evaluation of a Special Study Area on the eastern boundary of Vallecitos WD with Valley Center MWD and Rincon MWD is expected to be undertaken before the next sphere / service review. There are also common service issues with neighboring Vista Irrigation District that could be resolved through an MSR and sphere update. As an interim measure, the Vallecitos WD sphere should be re-affirmed with the understanding that it should be scheduled for a sphere review and possible update within five years. **Recommended Commission Action:** Re-affirm spheres for the Canebrake County WD, Coachella Valley WD, Leucadia Wastewater District, and Vallecitos WD, noting that the Vallecitos WD sphere should be subject to a sphere review within five years. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Fire/EMS Districts (Includes MWDs, FPDs, and CSAs):** Alpine FPD; Bonita-Sunnyside FPD; Borrego Springs FPD; CSA 17 (San Dieguito); CSA 69 (Heartland Paramedic); CSA 107 (Elfin Forest); CSA 109 (Mt. Laguna); CSA 110 (Palomar Mountain); CSA 111 (Boulevard); CSA 112 (Campo); CSA 113 (San Pasqual); CSA 115 (Pepper Drive); CSA 135 (SD Regional Communications/Fire); Deer Springs FPD; East County FPD; Julian-Cuyamaca FPD; Lakeside FPD; Lower Sweetwater FPD; North County FPD; Pine Valley FPD; Rancho Santa Fe FPD; Mootamai MWD; Pauma MWD; Ramona MWD, Rincon del Diablo MWD (Improvement District E); Yuima MWD; San Diego Rural FPD; San Marcos FPD; San Miguel FPD; Valley Center FPD; Vista FPD. Number of districts: 31

**Conclusions:** Each of these agencies has been reviewed and spheres recently affirmed/adopted by the Commission on May 7, 2007. Therefore, the spheres should be reaffirmed. Additionally, it is noted that as part of the Reorganization of Fire/EMS Services adopted by the Commission, one added agency – CSA No. 113 (San Pasqual) – requested to be included in the newly formed authority under CSA 135. **Recommended Commission Action:** Re-affirm spheres and MSR for fire and EMS agencies, noting that CSA 113 (San Pasqual) should receive a transitional

(Zero) sphere. Include the jurisdictional and service information on file in the office in the MSR data base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Healthcare Districts:** Fallbrook Healthcare District; Grossmont Healthcare District; Palomar-Pomerado Healthcare District; Tri-City Healthcare District. Number of districts: 4

**Conclusions:** Three of the Healthcare agencies, Fallbrook, Grossmont and Palomar-Pomerado were evaluated with no anticipated changes in service areas. Each is coordinating facility upgrade programs to comply with Federal and State mandated programs for safety and seismic standards by 2012. Tri-City Healthcare has discussed informally the possible sphere expansion to include areas within the Cities of Carlsbad (La Costa) and Vista (Shadowridge). Discussions between the Tri-City Health Care District and LAFCO staff have been preliminary and it is uncertain whether a proposal will be filed with LAFCO. **Recommended Commission Action:** Reaffirm the spheres for the Fallbrook Healthcare District, Grossmont Healthcare District, Palomar-Pomerado Healthcare District, and Tri-City Healthcare District. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Irrigation Districts:** Helix Water District; Lakeside Water District; San Dieguito Water District; Santa Fe Irrigation District; South Bay Irrigation District; Vista Irrigation District. Number of districts: 6

**Conclusions:** The Lakeside WD, San Dieguito WD, and Santa Fe ID have all had recent sphere reviews. Accordingly, the spheres for these districts should be affirmed. The Vista ID and Helix WD have both been evaluated in various service reviews within the past five years; however, there are no pressing service issues warranting a sphere update of these agencies at this time. However, within the next sphere review cycle, the Vista ID in combination with the Vallecitos WD and other nearby water providers should be reviewed. In addition, the Helix WD should coordinate with LAFCO staff to determine if a comprehensive sphere update or amendment is warranted in the future. **Recommended Commission Action:** Reaffirm the spheres for the Helix Water District, Lakeside Water District, San Dieguito Water District, Santa Fe Irrigation District, South Bay Irrigation District, and Vista Irrigation District. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Municipal Water Districts:** Carlsbad MWD; Mootamai MWD; Olivenhain MWD; Otay Water District; Padre Dam MWD; Pauma MWD; Questhaven MWD; Rainbow MWD; Ramona MWD; Rincon del Diablo MWD; San Luis Rey MWD; Valley Center MWD; Yuima MWD. Number of districts: 13 (Note: MWDs already addressed within the fire section of this report).

**Conclusions:** The spheres of influence for the Carlsbad MWD, Mootamai MWD, Pauma MWD, Questhaven MWD and Yuima MWD were affirmed on November 7, 2005 and no new information reveals a need for a sphere update at this time.

Olivenhain MWD, Padre Dam MWD and Rincon del Diablo MWD have had comprehensive sphere updates within the past two years. Those spheres are proposed to be affirmed. Ramona MWD's was reaffirmed on May 7, 2007 as part of a fire reorganization and no major sphere changes are needed; however, LAFCO staff and the Ramona MWD need to coordinate with each other regarding technical mapping matters regarding the sewer service area of the District and the relinquishment of its fire and EMS functions. Otay WD and Valley Center MWD have indicated that possible SOI amendments may be subjects of proposals by property owners and the results of recent MSR studies. Otay WD may request an MSR / sphere to study for a possible SOI expansion to address a 600 acre property owned by the Sycuan Indian Tribe. The Sycuan territory is also identified as a Special Study Area in the Padre Dam MWD sphere. The Otay WD may also request that its sphere of influence be expanded to include Village 13 of the Otay Ranch project. Special Study Area designations should be applied to these areas. After the necessary planning and land use approvals for this project are granted, it may be appropriate to consider a sphere amendment to include this property. In anticipation of this possible sphere amendment, the Village 13 area should be receive a Special Study Area designation. The Valley Center MWD is part of a larger study of the San Luis Rey / Bonsall Watershed Area that is currently underway. Possible annexation of some areas to Valley Center MWD is being evaluated as an alternative to that study. **Recommended Commission Action:** Reaffirm the spheres for the Carlsbad MWD, Mootamai MWD, Olivenhain MWD, Otay WD, Padre Dam MWD, Pauma MWD, Questhaven MWD, Rainbow MWD, Ramona MWD, Rincon del Diablo MWD, San Luis Rey MWD, Valley Center MWD, and Yuima MWD. Apply a Special Study Area designation to the Otay WD's sphere in the Sycuan and Village 13 areas. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Public Utility District:** Fallbrook Public Utility District. Number of districts: 1

**Conclusions:** Fallbrook PUD provides water and wastewater services within its boundaries. The District is developing a conjunctive use cooperative project with the US Marine Corps and the City of Oceanside in the Lower San Luis Rey River Area; environmental review has been initiated by the San Diego County Water Authority and other stakeholders. The District has not identified any changes needed to its sphere and the existing sphere should be affirmed at this time. **Recommended Commission Action:** Reaffirm the Fallbrook Public Utility District's sphere. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Recreation & Park District:** Lake Cuyamaca Recreation & Park District. Number of districts: 1

**Conclusions:** The Lake Cuyamaca Recreation & Park District provides fishing, camping and related services at the Lake. No changes in operations were identified in the review and establishment of a conterminous sphere of influence is justified. **Recommended Commission Action:** Establish a coterminous sphere for the

Lake Cuyamaca Recreation & Park District. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Resource Conservation Districts:** Mission RCD; Resource Conservation District of Greater SD County; Upper San Luis Rey RCD. Number of districts: 3

**Conclusions:** The three Resource Conservation Districts provide an array of land and water conservation services cost-effectively within their respective areas in the County. Some of the districts have periodically inquired about expanding their boundaries to include island areas; however, no recent interest has been expressed regarding such expansions. No changes to the areas or service parameters were identified as part of the survey and study. Affirming the spheres for each agency would be justified. **Recommended Commission Action:** Reaffirm the spheres for the Mission RCD, Resource Conservation District of Greater SD County, and Upper San Luis Rey RCD. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Small Craft Harbor District:** Oceanside Small Craft Harbor District. Number of districts: (1)

**Conclusions:** The Oceanside Small Craft Harbor District is a special act agency whose Board of Directors is the Oceanside City Council. The agency operates the Oceanside Harbor and marina and oversees the lease contracts for commercial uses in the harbor. The sphere corresponds to the Oceanside city limits and no expansion of area was identified as part of this review. The sphere was affirmed by the Commission on November 7, 2005 should be reaffirmed at this time. **Recommended Commission Action:** Affirm the Oceanside Small Craft Harbor District's sphere. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

**Special Act Agencies with Limited LAFCO Oversight:** Metropolitan Water District of Southern California, and San Diego County Water Authority. Number of districts: 2

**Conclusions:** On May 2, 2005 the Commission affirmed the spheres of influence adopted for the Metropolitan Water District of Southern California, and San Diego County Water Authority. The Commission also affirmed the practice of establishing, amending, and updating the spheres for these two entities coterminous with the sphere boundaries of member agencies. **Recommended Commission Action:** Reaffirm the spheres adopted for the Metropolitan Water District of Southern California, and San Diego County Water Authority. Include the jurisdictional and service information on file in LAFCO's Sphere / MSR Data Base and direct the Executive Officer to make appropriate sphere and MSR determinations.

## CONCLUSIONS AND RECOMMENDATIONS

Approval of the staff recommendations will bring all 91 special districts and the 2 special act districts in San Diego County into compliance with the Sphere of Influence and Municipal Service Review requirements in State Law (Government Code Section 56425(g)). This law requires that on or before January 1, 2008, the Commission must as necessary, review and update each sphere of influence.

Only two districts involved in this survey and study indicated a potential for a sphere update or expressed a desire to amend their existing sphere of influence (Otay WD and the Tri-City Healthcare District). In addition, it is likely that the spheres for the Helix WD, Vallecitos WD, and Vista ID will be evaluated for possible amendments prior to the next scheduled sphere evaluation. LAFCO staff proposes the affirmation of these spheres and the balance of the spheres for the remaining districts.

As previously referenced, San Diego LAFCO adopted a legislative policy (Policy L-102), which is intended to limit sphere activity after an agency's sphere has been affirmed or updated. Nevertheless, the Policy does contain exceptions that cover specific conditions including: (1) health and safety concerns; (2) areas where the sphere divides an ownership; (3) reorganization between consenting agencies; and (4) unanticipated development needing public services is proposed. While all of the remaining districts reviewed in this report are recommended for affirmation of their existing spheres, some have pre-existing conditions that might require minor sphere changes or expanded evaluations within five years. Where applicable, the report has identified those particular circumstances, each of which would qualify for consideration of an exception to the sphere amendment limitation. It is therefore,

### **RECOMMENDED: That your Commission**

- (1) Find in accordance with the Executive Officer's determination that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the sphere affirmations, transitional sphere designation(s), special study area(s) and/or minor sphere amendment(s) are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility for the proposed projects to significantly impact the environment, and the activity is not subject to CEQA;
- (2) Find in accordance with the Executive Officer's determination, that pursuant to §15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource;
- (3) For the reasons set forth in the *Special Districts Sphere of Influence and Municipal Service Review Summaries* and *Service Review and Sphere of Influence Review Data Summary: Profiles of Special Districts in San Diego County*, adopt/affirm the existing special district spheres of influence and written statements on file specifying the functions and classes of services; establish special study areas as noted, and approve the Municipal Service Review recommendations contained in the Executive Officer's report;

- (4) Provide subject agencies 30-days to submit comments to the Executive Officer regarding corrected/updated information prior to finalization of the publication, *Service Review and Sphere of Influence Data Summary: Profiles of Special Districts in San Diego County*. Direct the Executive Officer to refer the data summary to the Special Districts Advisory Committee, if necessary; and
- (5) Direct the Executive Officer to prepare written Statements of Determinations and associated resolutions, consistent with the recommendations in the August 6, 2007 LAFCO staff report.

Respectfully submitted,

MICHAEL D. OTT  
Executive Officer

MDO:tjc

Attachments:

- Attachment A: *Service Review and Sphere of Influence Data Summary: Profiles of Special Districts In San Diego County*
- Attachment B: *Special Districts Sphere of Influence and Municipal Service Review Summaries (Refer to Agenda Item 9A)*