

SAN DIEGO LAFCO



COMMISSION MEETING
APRIL 6, 2026

SAN DIEGO LAFCO

Agenda Item No. 6a

Draft MSR on Carlsbad-Encinitas Region (Part I)



4/6/2026

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What is an MSR & Why do they Matter?



Comprehensive, independent assessment of municipal services

1. Updates to spheres of influence every five years for cities and special districts
2. Inform boundary changes and outside service extensions over the same five-year horizon
3. Initiate reorganizations of local agencies and/or establish new local agencies



What MSRs are Required to Address

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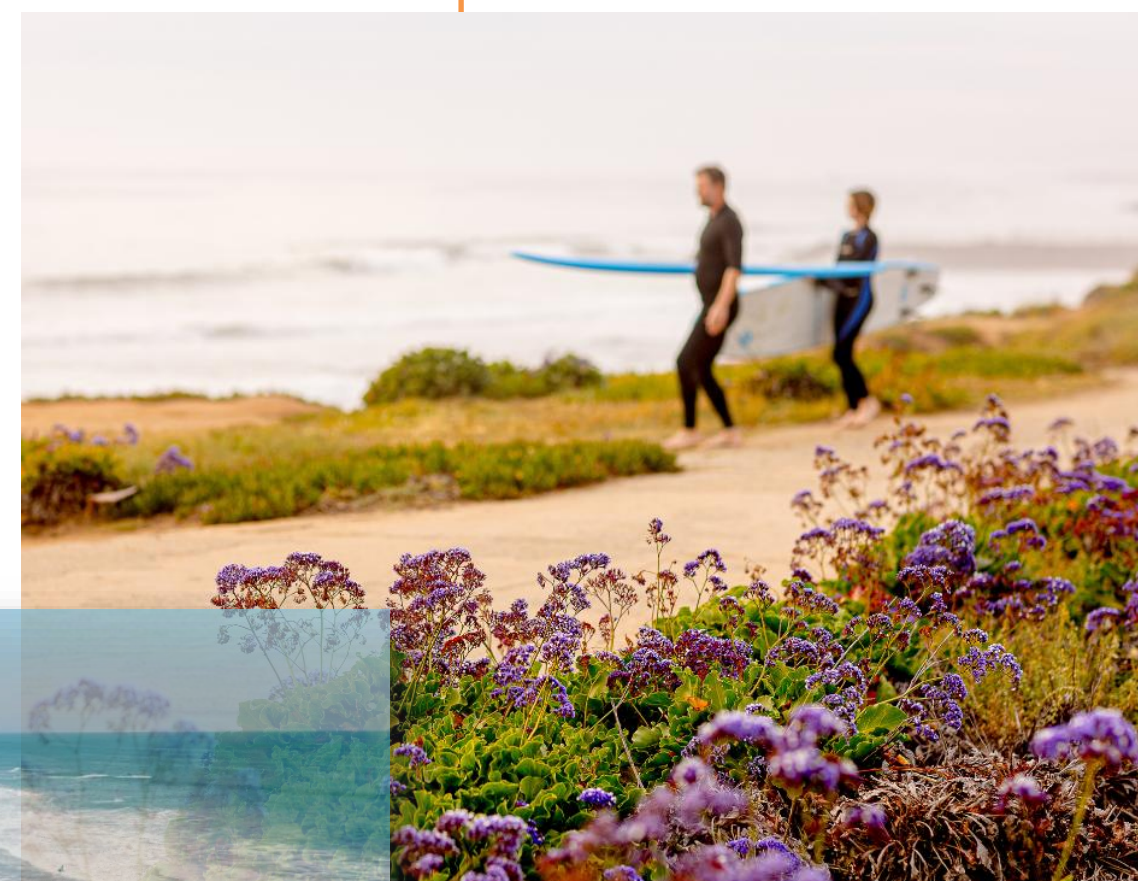
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1. Growth and population projections
2. Location of Disadvantaged Unincorporated Communities
3. Capacity of public facilities
4. Financial ability to provide service
5. Opportunities for shared facilities and efficiencies
6. Governance and restructure options
7. Environmental Justice

Local Policy





How this MSR is Organized

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Two standalone parts:

Part I: Carlsbad Subregion

- City of Carlsbad
- Carlsbad MWD

Part II: Encinitas Subregion

- City of Encinitas
- San Dieguito WD
- Leucadia WWD
- Olivenhain MWD

Carlsbad - Encinitas Region MSR

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Today's Public Hearing

- City of Carlsbad – Originally opened March 2nd, continued to April 6th
- Carlsbad MWD – Opening today for first time

Structure + Key Assumptions & Benchmarks

Five-Year data collection window: FY2019-FY2023

*limited exceptions

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Overview: City of Carlsbad

- Incorporated in 1952 (5th largest municipality in county)
- 39-square miles
- Population: ~116,400



Ft. Knox, famous old gold mill on Banner Grade, six miles east of Julian, comes alive once more. Pick-and-shovel method of taking gold has been replaced, however, with modern machinery. Area is in action for first time since 1934.

THAR'S GOLD IN- Old Diggings Active On Banner Grade



THE SAN DIEGO UNION COUNTY NEWS a-16 * SUNDAY MORNING, JUNE 22, 1952

Carlsbad to Vote On Incorporation

Residents to Decide Tuesday, Also Name
Seven for Offices Under City Status

CARLSBAD — Residents here will go to the polls Tuesday to decide whether Carlsbad, with an estimated population of 5200, should incorporate into a city. At the same time they will select five city councilmen, a clerk and treasurer who would take office if the incorporation is approved. Voting will take place at five consolidated polling places from 7 a.m. to 7 p.m. There are 3900 registered voters.

Two factions have carried opposing views to voters in the election campaign. "The only strong argument for incorporation is the scare of annexation by Oceanside" which is "impossible without the people's consent."

TWO VIEWPOINTS
Eddie Kentner, of the Committee on Incorporation, stated: "I have opposed incorporation for years, but now I think it is time to incorporate." He said water keynotes the fight and claimed "we will get Colorado River water immediately" if incorporated. He said having the new San Diego Gas and Electric Co. plant "with a 66-million-dollar investment" within a city "would help lighten the tax load."

CANDIDATES LISTED
Council candidates are Manuel Castorena, Raymond Ede, George Grober, Percy Holmes, John E. Keenan, C. D. McClellan, Dick O'Hannesson, Walter B. Parysch, Frank B. Smith and Mrs. Lena M. Sutton. Unopposed candidates are Edward G. Hagen for city clerk, and W. Roy Pace for treasurer.

Polling places are a residence at 2684 Highland Dr., State For-
estry Station at 680 Highway 101,
residence at 1341 Oak St., resi-
dence at 1639 Chestnut St., and
residence at 3461 Garfield St.

Two Previews Set for Film

San Diego's municipal film, "The City You Live In," will have two previews before making its debut at 8 p.m. Friday at the County Fair.

City councilmen, who authorized production of the 27-minute color film, will see it at 11 a.m. Tuesday at the Civic Center. Another screening will be held at 4:30 p.m. Tuesday for department heads who participated in the filming.

A small brochure about the movie will be distributed at the city's Del Mar exhibit, where the picture will be shown throughout the fair. Brochures later will be given to all persons who see the picture elsewhere. O. W. Campbell, city manager, said yesterday.

The brochure contains some scenes from the film itself, 10 principal municipal accomplishments in the last year and basic facts about San Diego.

Rare Plants Stolen

ESCONDIDO—Theft of 100 rare hybrid iris and day lily plants ready for shipment to the east was reported yesterday by Tom Craig, of Star Route Box 315. Craig told deputy sheriff Jack Powell the plants, valued up to \$9 each, disappeared Tuesday from his ranch on Highway 395, 19 miles north of here.

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Also Special Discount for a Series of:

- Mineral Steam & Vapor Baths
- Swedish Massage — Physical Therapy
- Colonics with oxygen—painless, pleasant

FOR **\$12⁰⁰** (11 hair each)

Exclusively for Women
Open Evenings by Appointment
BRING THIS AD FOR A FREE TREATMENT

"Tradition" DIAMONDS



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Overview: City of Carlsbad

Central narrative: expansion mode → stewardship

Five Specific Service Functions:

1. Wastewater
2. Integrated Fire Protection
3. Parks and Recreation
4. Library and Cultural Arts
5. Community Development

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Themes & Conclusions

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a) Expansion → Stewardship

b) Population Growth in Lower + Deliberate Gear

c) Housing Demand + Affordability Gap

d) Governance Advantage

e) High Performing + Adaptive Services

f) Service Questions Going Forward

g) Strong Financial Position

h) Financial Questions Going Forward

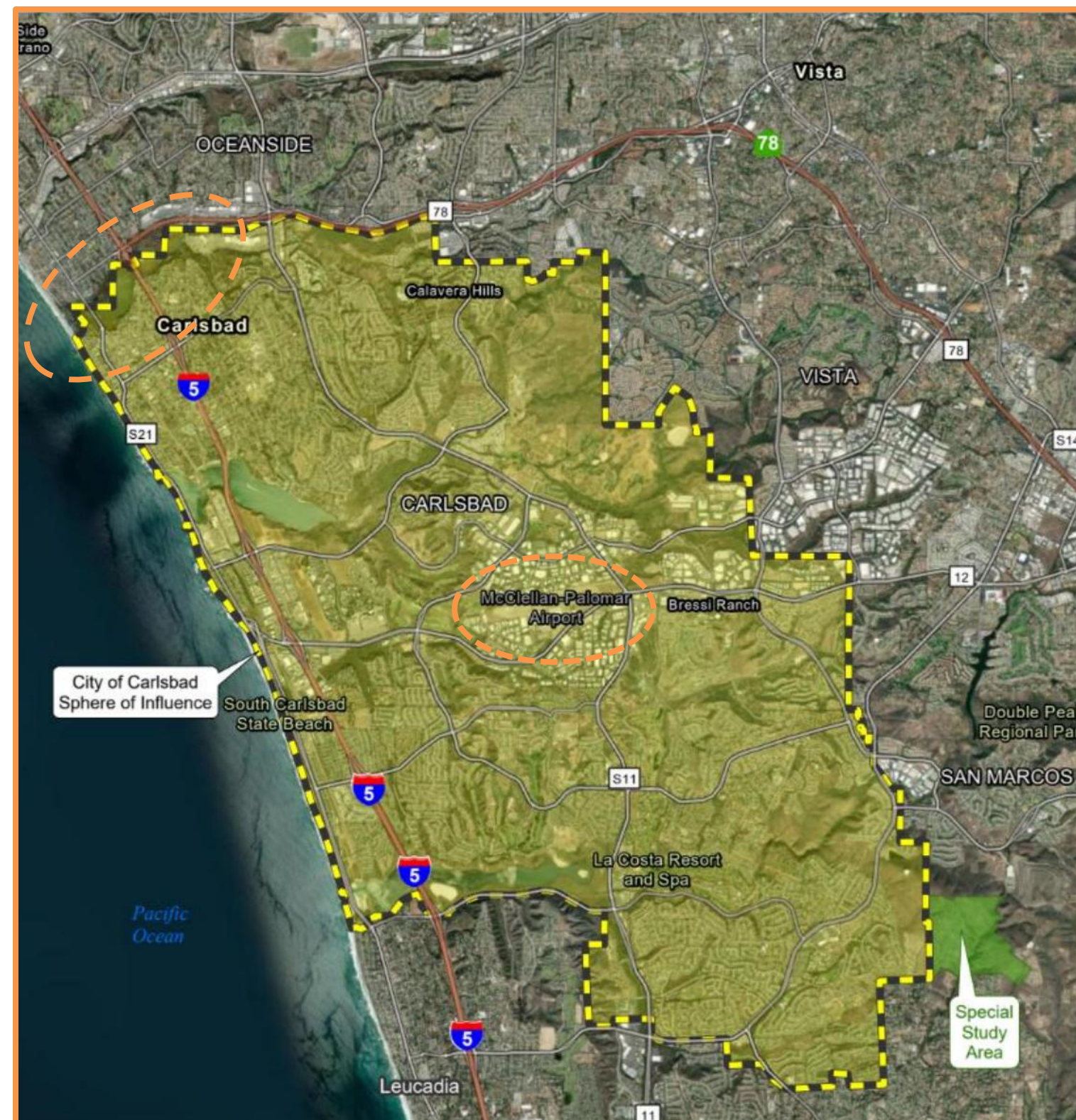
i) Bottom Line

j) LAFCO interests Going Forward



Specific Recommendations

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- a) Commission: Redirect growth towards Carlsbad
 - b) City: Distinguish CMWD's separate role
 - c) Commission: Explore McClellan-Palomar Airport Topic
 - d) Commission: Explore 78 Corridor boundary true-up





Overview: Carlsbad MWD

- Formed in 1954 as an independent special district
- 1990 - reorganized as a subsidiary district
- City Council serves as CMWD board, staff integrated into the Utilities Division

MSR focus: potable water function, governance, & finances

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Key Themes & Conclusions

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a) Unexpected Journey

b) Steady Hand

c) Headroom

d) Ratepayer Value

e) Unified Service Advantage

f) Good Test Scores with Some Softening

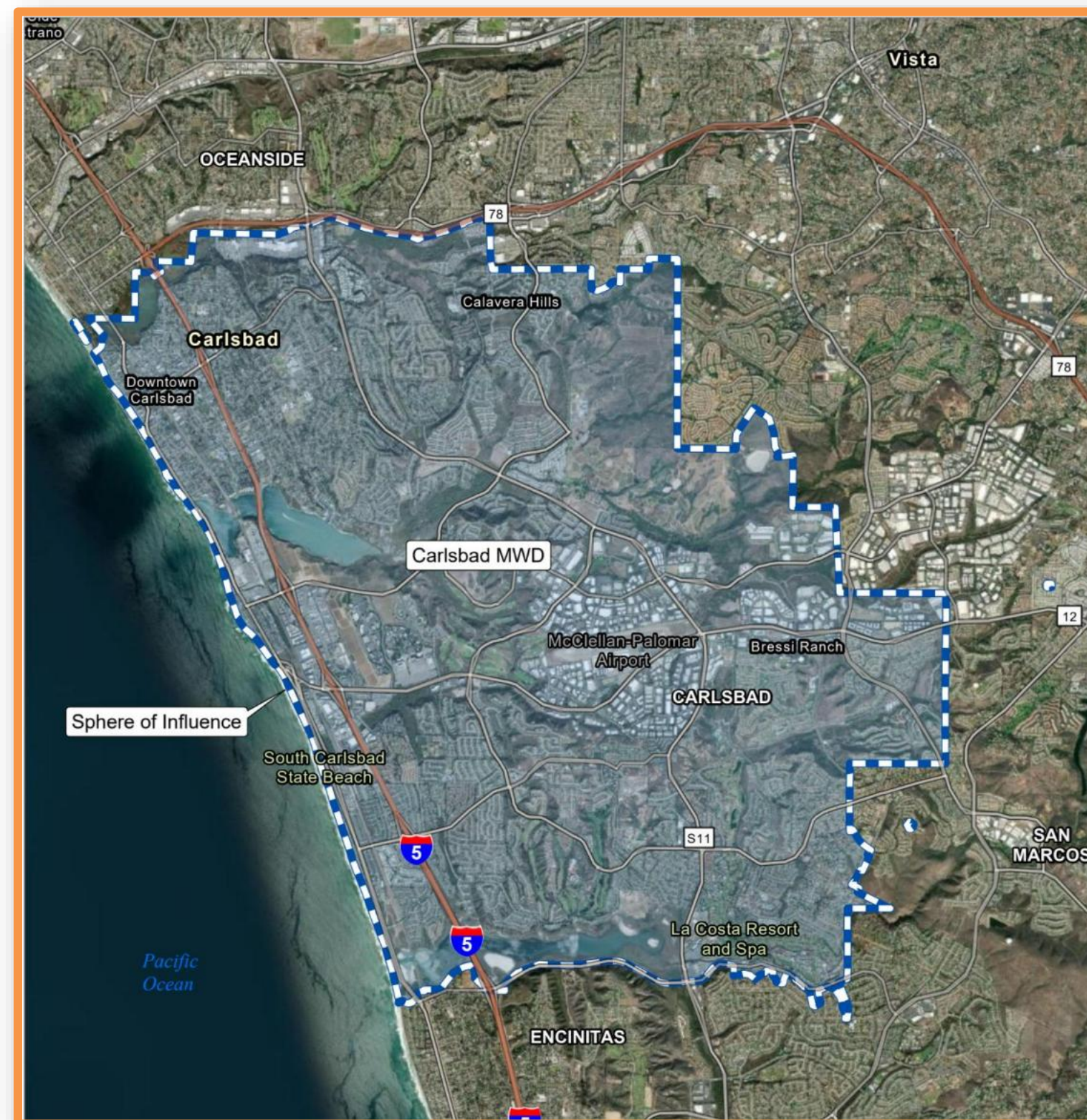
g) Governance + Accountability

h) LAFCO's Interest Going Forward



Specific Recommendations

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- a) District: Strengthen Agency Visibility
 - b) LAFCO: Dive into Recycled Water
 - c) District: Access Latent Power Activation
 - d) LAFCO: Affirm Sphere with Qualifier





Summary and Direction Requested

Both agencies well-positioned to provide reliable, high-quality services within their boundaries

Commission: Does the review meet scope and content expectations?

Next Steps:

- Initiate 45-day public review and comment period → return final version as early as June
- If more work is needed, staff to revise and return

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**Agenda Item No. 6a
Comments/Questions?**



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