

February 3, 2014

TO: Local Agency Formation Commission

FROM: Executive Officer

SUBJECT: 2014 Jurisdictional and Project Activity Report

The following summary provides an overview of major jurisdictional activity anticipated in 2014. As indicated in the below summary, staff resources will be fairly evenly divided between supporting short-term jurisdictional projects, such as local agency reorganizations, and annexation/detachment proposals, plus long-range efforts dealing with special studies and sphere / service reviews. While priorities will again be placed on fire agencies, priorities will be shifting somewhat to water and wastewater agencies, plus healthcare districts, and municipalities. Though not reflected in the summary, it is also likely that resources will be also devoted to water availability issues, especially if drought conditions persist in 2014-15. This summary is provided for information purposes only and no action is recommended at the February 3rd meeting. The attached map depicts the general location of associated project activity.

Castlerock Reorganization – City of Santee/ City of San Diego/ Padre Dam MWD

This reorganization involves detachment of approximately 108.72 acres from the City of San Diego, with concurrent sphere of influence amendments and annexations of the territory to the City of Santee, Padre Dam MWD, County Service Area No. 69, and CSA No. 135. The detachment from San Diego and annexation to Santee is a highly unusual jurisdictional component associated with this proposal. The Castlerock project and EIR were approved by the City of San Diego in 2013. Three local environmental groups have jointly filed a CEQA lawsuit challenging the City of San Diego's environmental review of the project. The reorganization proposal was submitted to LAFCO in December 2013 and is currently incomplete pending resolution of associated issues and provision of project-related outreach information.

San Marcos Highlands Reorganization – City of San Marcos, Vallecitos WD, Vista ID, San Marcos FPD, Vista FPD

The San Marcos Highlands Reorganization involves annexation of approximately 69.42 acres to the City of San Marcos (of the approximate 262.14-acre Specific Plan area), with water services provided to individual areas of the project by either Vallecitos WD or Vista ID, and sewer service provided by Vallecitos WD. Issues pertain to substantial community opposition, and the City of San Marcos'

environmental review for the project, which is based on determinations from previously-adopted CEQA documents nearly 25 years ago (1990 EIR and 2002 Subsequent EIR).

Healthcare District MSR – Fallbrook HCD, Grossmont HCD, Palomar HCD, Tri-City HCD

LAFCO staff is beginning a Municipal Service Review and Sphere of Influence update of the four existing health care districts in San Diego County. Particular issues to be evaluated are governance, community accountability, opportunities for shared services/infrastructure, potential governmental changes (mergers, consolidations, and dissolutions), financial ability to provide services, and potential sphere changes (expansions, contractions).

Rancho Santa Fe Community Services District – Activation of Latent Security Service Powers

The Rancho Santa Fe Community Services District is currently authorized to provide wastewater, landscape maintenance district-wide, and utility undergrounding services within a restricted service area paralleling the boundaries of the Rancho Santa Fe Covenant. The current latent powers proposal is to activate latent powers for security services within the covenant area only. County Sheriff records indicate that property crime is nearly double within the proposed latent powers area than in surrounding communities. Security services would be provided via a contract with a private security patrol and funding would come from general fund receipts (\$44,000) and an annual draw-down of unrestricted reserves (\$81,000).

City of Escondido annexation projects

LAFCO staff has been involved with a number of annexation projects involving Escondido. The pending Safari Highlands development proposal calls for annexation of 1,000+ acres on eastern side of the City of Escondido, partially located within the Escondido sphere. LAFCO has also has received inquiries for several proposed residential developers on the northwest side of the Escondido sphere (Sager Ranch, Von Seggren), and the Lehner Avenue island area, plus several proposed annexations on the southwest side of the City (Oak Creek and Amanda Estates).

Harmony Grove Village

The Harmony Grove Reorganization involves the change of sewer and fire protection service providers to consolidate service responsibility for the proposed Harmony Grove Village project area. The reorganization involves annexations/detachments between Vallecitos WD-San Diego County SD, and San Marcos FPD-CSA No. 107 (Elfin Forest). A separate, but related jurisdictional change proposal, may involve dissolution of CSA No. 107 and annexation to the Rancho Santa Fe FPD. A second component of the consolidation may involve annexation of the project area to CSA No. 17 (San Dieguito Paramedic Service).

Vista – Bonsall project (Kawano)

A large residential development located partially within the northern portion of the City of Vista sphere is proposed for annexation to Vista. The project involves a reorganization of approximately 301.70-acres to the City of Vista (including an amendment to the sphere of approximately 230.36-acres), with concurrent detachments from Vista FPD (301.70 acres) and Rainbow MWD (45 acres), and annexation of 45 acres to Vallecitos WD.

City/Special District Sphere Reviews

LAFCO staff will be completing Municipal Service Review and Sphere of Influence determinations for all remaining special districts and the 18 incorporated cities. It is anticipated that the majority of spheres will be affirmed; however, LAFCO staff is researching the potential need for a sphere review/update for several cities (Chula Vista, El Cajon, Vista, San Marcos,

and Escondido), which have had recent updates to their respective General Plans and have pending development proposals requiring sphere amendments.

Disadvantaged Unincorporated Community Program

The Commission's involvement with Disadvantaged Unincorporated Communities will be ongoing in 2014. Expected tasks include completing final steps for Commission approval of DUC-related MSR/SOI determinations for affected water, sewer, and fire service providers and the 18 incorporated cities.

Fallbrook Public Utility District / Rainbow Municipal Water District

The Commission's Chairman and Executive Officer have both been involved with public forums dealing with the potential consolidation/reorganization of Fallbrook Public Utility District and Rainbow Municipal Water District. The two districts have entered into a Joint Powers Agreement and have functionally consolidated. It is anticipated that a jurisdictional consolidation/reorganization proposal will be initiated and submitted to LAFCO in 2014, if the affected districts can resolve governance and representation issues.

San Dieguito Water Agency Reorganization Discussions

LAFCO staff will continue to monitor a cooperative effort underway within the San Dieguito area of the County regarding a potential water agency consolidation. Last year, LAFCO staff attended a public meeting at the Santa Fe Irrigation District and also discussed with public officials the feasibility of consolidation. Committees representing the affected districts have been formed and discussions are occurring regarding shared service opportunities.

Bonsall and Pala Hydrologic Subarea Municipal Service Review and Sphere of Influence Update

A draft LAFCO Municipal Service and Sphere of Influence Review of agencies providing Water, Sewer, and Recycled Water that includes Rainbow, San Luis Rey, and Valley Center MWDs has been distributed to the affected districts for comment. Options contained in the report pertain to changing San Luis Rey MWD's coterminous sphere to a transitional sphere and placing portions of the District's service area in the spheres for Rainbow and Valley Center MWDs. The San Luis Rey MWD is opposed to this transitional sphere designation. After completion of the service and sphere review, the Commission will consider the Proposed "Meadowood Reorganization". The reorganization consists of multiple jurisdictional changes including annexation to North County Fire Protection District (FPD), Valley Center Municipal Water District (MWD), San Diego County Water Authority (CWA), and Metropolitan Water District of Southern California (MET) with concurrent detachment from San Luis Rey MWD and removal from the structural fire protection and emergency medical services zone of County Service Area (CSA) No. 135 (technically referred to as a divestiture). A Vesting Tentative Map and Major Use Permit were approved by the County with final approval contingent on annexation to the agencies mentioned above. Currently, the 390-acre area project is primarily vacant with development proposed on roughly 267 acres. The remaining acreage consists of natural open space and will not require water and sewer services. While the entire 390 acres will be annexed to the North County FPD and removed from the structural fire protection and emergency medical services zone of CSA No. 135, only the 267-acre development area will be annexed to Valley Center, CWA, and MET.

Pine Valley and San Diego Rural Fire Protection Districts

As a condition of a five-year contractual agreement with the County of San Diego, the Pine Valley and San Diego Rural Fire Protection Districts will be initiating separate district dissolution proposals and inclusion within CSA No. 135 Latent Powers Area for Structural Fire Protection and Emergency Medical Services. LAFCO Staff has prepared specialized application forms for these two proposals and will continue to work closely with the two Fire Boards and San Diego County Fire Authority. The Commission has authorized a fee waiver or reduction for this reorganization.

Consolidation of CSA 107 (Elfin Forest and Rancho Santa Fe Fire Protection District)

The County of San Diego has approved a new development in the CSA No. 107 service area (Harmony Grove Village) with a condition requiring full-time professional structural fire protection and emergency medical services. Compliance with this development condition will be complicated because CSA No. 107 is a volunteer fire agency. LAFCO staff is working closely with the San Diego County Fire Authority and other nearby fire agencies to explore the feasibility of dissolving CSA 107 and annexation of the territory to the Rancho Santa Fe Fire Protection District. CSA 107 has a transitional Sphere of Influence and the development project is within the Rancho Santa Fe FPD's sphere. The Commission has authorized a fee waiver or reduction for this reorganization.

CSA No. 115 (Pepper Drive Fire Protection)

CSA No. 115 (Pepper Drive) is surrounded by the Cities of Santee and El Cajon and is adjacent to the Lakeside and San Miguel Fire Protection Districts. The City of Santee has historically been responsible for providing fire protection services to the area by contract with CSA No. 115; however, the other nearby fire agencies have grown increasingly concerned that the contract does not accurately reflect financial needs and interests of first responders. CSA No. 115 had previously been located within El Cajon's sphere but is now designated a "Special Study Area" by LAFCO due to service related issues. The San Diego County Fire Authority is considering a suggestion from LAFCO staff to initiate a Request for Proposal prior to executing the next CSA No. 115 service contract. LAFCO staff has requested the County to hold a scoping meeting in early 2014 with affected local agencies, including LAFCO, in order to identify issues and potential solutions.

Remaining Fire Protection Districts, CSA 17, CSA 69 and CSA 135 Latent Powers Area Fire Protection

LAFCO Staff will continue with Municipal Service and Sphere of Influence Review efforts for the remaining fire protection districts including; Deer Springs, Julian-Cuyamaca, North County, San Marcos, San Miguel and Vista as well as the two Advanced Life Support (ALS) Ambulance Transport Service Providers administered by CSA Nos 17 and 69. LAFCO staff will also complete a Municipal Service Review for CSA 135 Latent Powers Area for the delivery of structural fire protection.

Summary

The above summary of jurisdictional and project activity has been provided for the Commission's information only. Specific recommendations and direction will be sought when the associated projects, jurisdictional changes, and studies are considered by the Commission at a subsequent meeting. Nonetheless, it is hoped that information contained in this report will provide the Commission with a better understanding about anticipated workload and the allocation of LAFCO staff resources in 2014. Therefore, it is:

RECOMMENDED: That your Commission

Receive and discuss the 2014 Jurisdictional and Project Activity Report.

Respectfully submitted,

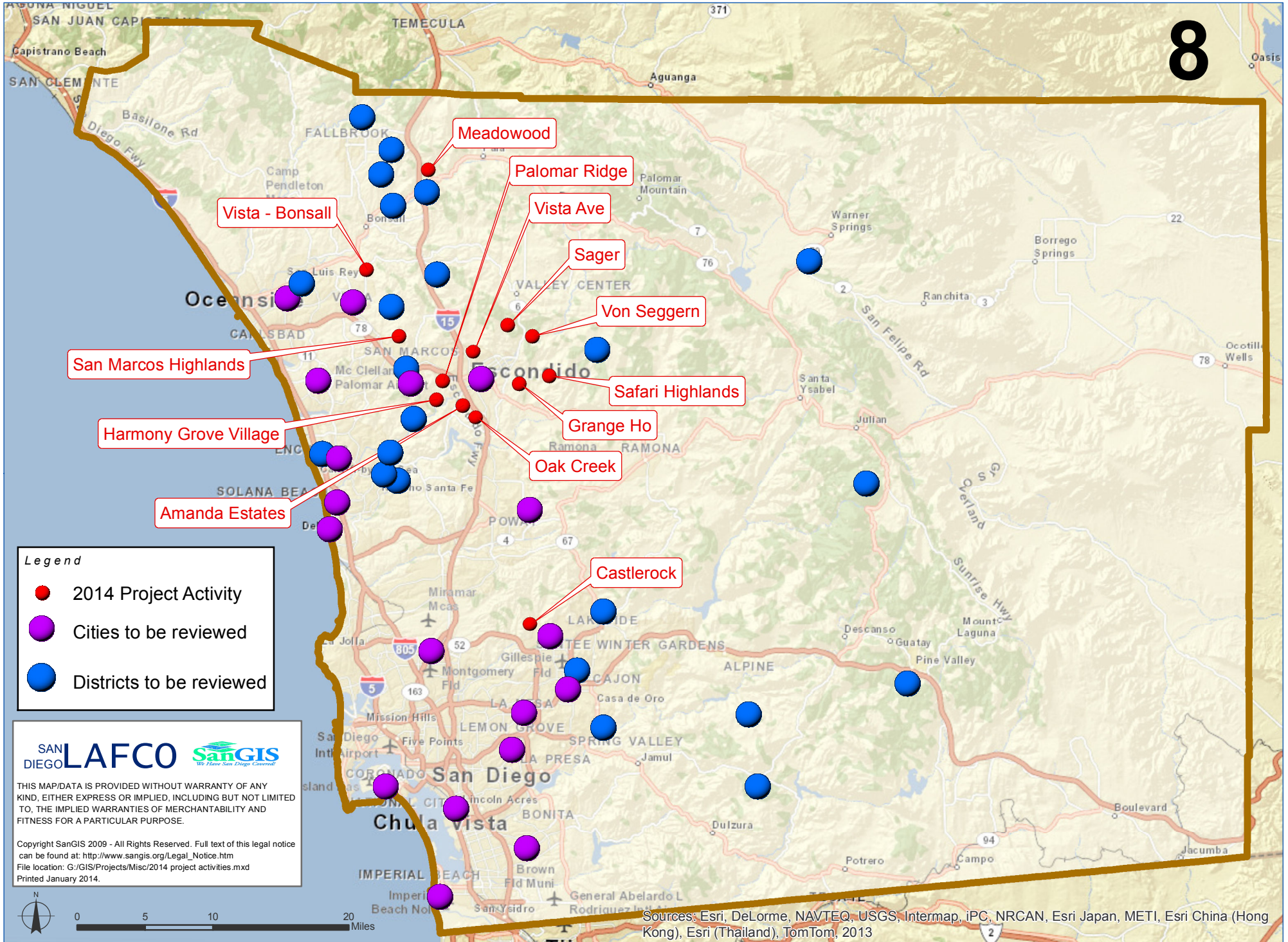
MICHAEL D. OTT
Executive Officer

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Attachment: Map of Jurisdictional and Project Activity

2014 Jurisdictional and Project Activity for San Diego LAFCO

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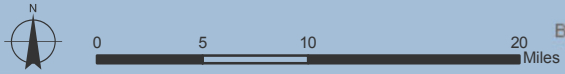
Legend

- 2014 Project Activity
- Cities to be reviewed
- Districts to be reviewed

SAN DIEGO LAFCO

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 File location: G:/GIS/Projects/Misc/2014 project activities.mxd
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Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013