

## Chairman

Andrew Vanderlaan  
Public Member

June 2, 2014

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## Vice Chairman

John Ingalls  
Santa Fe  
Irrigation District

TO: San Diego Local Agency Formation Commission  
FROM: Executive Officer

## Members

Bill Horn  
County Board of  
Supervisors

SUBJECT: Five-Year Sphere of Influence and Municipal Service  
Review: Ramona Municipal Water District  
(Ref Nos: MSR13-30; SR13-30)

Dianne Jacob  
County Board of  
Supervisors

## EXECUTIVE SUMMARY

Bud Pocklington  
South Bay  
Irrigation District

This report has been prepared as part of LAFCO's Five-Year Sphere of Influence and Municipal Service Review (MSR) Program. The report includes background information about the Ramona Municipal Water District (MWD) and several service issues that emerged since the last sphere review in 2007. The Ramona MWD is responsible for providing water, wastewater, structural fire protection and emergency medical services, and park and recreation service. The primary services reviewed in this report are sewer treatment, provision of recycled water services, disposal of recycled water, water system reliability, and recreation and park services. A preliminary version of this report was reviewed by the Commission on June 3, 2013. Additional information has been added to it, regarding the proposed development of the Montecito Ranch Project, the provision of sewer services and recycled water in the community of the San Diego Country Estates, and comments received from the Commission.

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

Sam Abed  
Mayor  
City of Escondido

## Alternate Members

Greg Cox  
County Board of  
Supervisors

Sherr Lightner  
Councilmember  
City of San Diego

Jo MacKenzie  
Vista Irrigation District

Lorraine Wood  
Councilmember  
City of Carlsbad

Harry Mathis  
Public Member

Primary issues and conclusions within the report are summarized as follows:

### 1) Governance/Communication/Community Transparency:

An elected Board and appointed General Manager must be responsive to the voters and customers of any district. The Ramona MWD Board has experienced turnover of members over the most recent ten year period. Reasons for the turnover are

## Executive Officer

Michael D. Ott

## Counsel

Thomas Bosworth

speculative but may pertain to controversial community issues and lack of responsiveness to issues on the part of some board members. The Board and management are encouraged to continue to place added emphasis on working with the voters and customers to improve positive visibility and communication wherever possible. Transparency and responsiveness should also be a primary goal for the District. The Ramona MWD should continue to hold open meetings and publish agendas and reports in accordance with the Brown Act; practice greater accessibility; consider designing and activating a phone and/or message and customer complaint and suggestion center. In addition to publicizing public meeting agendas and links to agenda reports on the District Website, the District may also consider publishing press releases on major issues and projects. The public should be encouraged to approach board members with concerns or suggestions.

2) Development of San Vicente Wastewater Plant and Recycled Water System:

The question of the history of development of the San Vicente Wastewater Plant and Recycled Water System and compliance with development approvals was raised. Review of project files reveals that the developer and Ramona MWD planned and constructed the San Vicente RWF as part of the San Diego Country Estates development plan. The sewer treatment facility was relocated from its initial planned location as part of the facility planning and that change was approved by the County Planning Commission and Board of Supervisors. Since the new location was farther from the golf course and the facility would not produce the necessary volume of effluent for many years, the plan was revised. Spray fields were used for several years until a local grower agreed to connect to the plant and take the effluent at the cost of pumping charges. After the 2006-07 negotiations and development of three-party agreement, a connecting pipeline was installed by the Ramona MWD to the San Vicente RWF and a percentage of the treated effluent was delivered to the golf course at the cost of pumping. This has saved the SDCEA considerable costs over the past five years and will again in the next five years. If a new long term agreement is negotiated, what it will provide in benefits is subject to future needs and costs to all parties. The Ramona MWD has retained the services of Bartle Wells & Associates to conduct a San Vicente Sewer Rate and Fee Study and a San Vicente Recycled Water Study; the study is expected to be completed before the end of the 2014 fiscal year.

3) Compliance with Propositions 26 and 218:

The RMWD is responsible for setting fees and charges for water, sewer and fire services under the purview of Propositions 26 and 218. The District has provided

copies of the public hearing notices for the rate hearings for the past five years under Proposition 218. The District has completed cost of service studies for the water rates and charges and now for the Santa Maria Sewer Service Area. Once the authorized study of the San Vicente Sewer Service Area Sewer Rates is completed and approved, rate setting methodology for each set of fees and charges will be in place. A separate review was made concerning the proper noticing of fees and charges for connection capacity charges for water and sewer facilities under Government Code 66000 et seq. These charges for development mitigation must be noticed and approved at a public hearing under this code section. The District did provide copies of the original adoption by Ordinance of the connection fees and mitigation fees in 1994 and an update ordinance change to the District Legislative Code in 2003. The Proposition 218 notices state that the rates are based upon analysis of the costs of operations and facility equipment replacement as included in the District Annual Budget. A new Santa Maria Sewer Capacity Charge was approved by the Board of Directors on January 28, 2014 and District staff expects the revised sewer rates to be considered in the annual rate setting process later this year. The District should continue its current practice of working with its legal counsel to verify that Proposition 218 notices continue to comply with legal requirements and rates are established in accordance with requirements of Proposition 26.

4) Emergency Response Plans:

The community of Ramona and the District experienced major wildland fire events in 2003 and 2007. In 2007, the District's water supply system experienced a loss of capacity and no supply for several days. The major pumping systems failed due to cut off of pumping power. Since 2007, the District has taken positive steps for improving reliability for its supply system and distribution facilities. The purchase of backup generators for powering of isolated facilities provides essential reliability in the system. A natural gas powered pumping system at the Poway Pump Station is being installed; a major improvement for providing water supply reliability. The District prepared an Emergency Response Plan and implemented training for all employees and the community at workshops. Ongoing training and reliability assessment of District facilities and operations is encouraged as well as continued coordination with other agencies on response plans, procedures and resources.

5) Emergency Evacuation Route Planning:

During major emergency events, including the 2007 wildland fire, evacuation by vehicle travel has been a problem in the Ramona community. Efforts to develop solutions to issues such as providing additional emergency evacuation routes

and plans are a community level challenge. Members of the community including the County, Planning Group, public safety and the District, have had ongoing discussions regarding an additional evacuation route north and west of the Ramona Airport. An acceptable project and agreement for a route utilizing a portion of District lands has not been successful to date. As a primary service entity in the community of Ramona and having a vested interest in the wellbeing of, and protection of the residents and customers, the District should continue to participate actively in addressing community level issues and helping to find solutions where they will not negatively impact the District.

6) Sewer Connection and Capacity Fees:

The cost of sewer service Capacity Charges for the Santa Maria Sewer Service Area (SSA) and additional capacity rerating of connected customer facilities was analyzed. The District completed a cost of service and rate study and in January 2014 and adopted a new Santa Maria SSA Capacity Charge that is substantially less than previously charged. The second issue of rerating existing connected customer facilities was analyzed and found to be generally in accordance with sewerage agency methods of evaluating current uses and sewer flow factors. The issue of identification and notification of existing customers in a positive manner is highlighted and the District is encouraged to provide ongoing public awareness and education on sewer service methods and costs to improve public understanding.

7) Provision of Sewer Service for Montecito Ranch:

A new residential community is planned for the Montecito Ranch area consisting of 417 dwelling units. The project was approved by the County Board of Supervisors in August, 2010. The approval by the County included provision of sewer services by an on-site sewer plant and governance by a new agency separate from the Ramona MWD. LAFCO staff believes that insufficient information exists at this time to recommend that formation of a new special district should be allowed within the boundaries of the Ramona MWD. An available option suggested to the Commission is to designate the Montecito Ranch territory as a Special Study Area within the Ramona MWD's Sphere of Influence. This designation would trigger a review by LAFCO and Ramona MWD to re-review the possible alternative method of District connection and service with respect to the Montecito Ranch project and conduct an alternatives study at that time. It is also suggested that Montecito Ranch and the Ramona MWD reopen the project evaluation process and revisit the option for connecting to the existing Santa Maria Sewer Facilities. If resolution is not accomplished, then LAFCO would likely be requested by the proponent to remove the Special Study

area designation and consider the formation of a new district within Ramona MWD's water service area. The developer of the Montecito Ranch has contacted the Ramona MWD to discuss water services needs for the project and preliminary discussions of possible revised service method alternatives for the sewer and recycled water portion of the project. However, the discussions have not resulted in a solution that is cost acceptable to the developer.

LAFCO's Special Districts Advisory Committee (SDAC) reviewed the associated sphere and service review report on March 21, 2014 and unanimously recommends that the Commission and staff seek a coordinated sewer service delivery method and governance structure within the Ramona MWD area and not consider the formation of a separate service agency overlapping the MWD, if possible.

8) Alternative Service Opportunities:

The issue of cooperative services was raised regarding whether alternative service opportunities exist for the Ramona MWD and other service providers. The analyses of current services reflects that the District currently contracts for fire/EMS services with CAL Fire; provides recreation and park services through a non-profit association at the Ramona Community Park and the District is conducting several studies to expand services including possible treatment of water with the City of Poway. The District is encouraged to further consider alternatives of service delivery including cooperative programs for recreation and parks with the County of San Diego as well as other current program studies.

As stated previously, the draft sphere and service review report was reviewed by the Special Districts Advisory Committee and approved a motion to support the staff analysis as presented; to recommend that the Commission approve the sphere review and MSR, plus associated determinations; expressed specific concerns to focus upon providing sewer and recycled water service in the Montecito Ranch development within the existing Ramona MWD sewer system structure, if possible; and for the Ramona MWD Board of Directors to take action to address the situation of a long-term absence of one of the members of the Board of Directors.

### **Report Discussion**

This report is divided into six sections covering the District's: agency profile; service summary; projected growth; analysis of eight (8) service issues/concerns; and sphere of influence and municipal service review conclusions.

**AGENCY PROFILE: RAMONA MUNICIPAL WATER DISTRICT**

Category: Municipal Water District

Principle Act: Municipal Water Districts are empowered by Water Code § 71000 et seq. to acquire and operate works for production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes; to operate drainage or reclamation works connected with such undertakings; acquire and operate facilities and services for collection, treatment, and disposal of sewage; produce and distribute recycled water. These types of districts may also provide parks, recreation and landscape improvements, operations and maintenance as well as fire and emergency medical services. Most municipal water districts provide primarily water and wastewater services. The Ramona MWD is authorized by LAFCO to provide water, wastewater, structural fire protection and emergency medical services, and recreation and parks services.

Governance: Elected five-member Board of Directors

District Area: 71.67 square miles

Population: 33,995 (2012 SANDAG)

Financial: Annual District Adopted Budget (2013-14) **Tables 1–6**

Table 1

**OPERATING EXPENSES**

	FY 2012/13 Estimated	FY 2013/14 Adopted
General Fund (Board, meetings, etc)	\$ 80,320	\$ 89,000
Water Fund	15,459,449	16,854,136
Fire / EMS Fund	5,157,370	5,702,495
Rec and Parks Fund	130,000	130,000
San Vicente Sanitation Fund	2,107,571	2,313,619
Santa Maria Sanitation Fund	2,235,034	2,163,009
Total Use of Funds	\$ 25,169,744	\$ 27,252,259

Table 2

**CAPITAL REPLACEMENT BUDGET EXPENSES**

	FY 2012/13 Estimated	FY 2013/14 Adopted
Water capital replacement funds	\$ 220,000	\$ 2,435,000
San Vicente Sanitation	811,970	545,148
Santa Maria Sanitation	114,000	310,000

Table 3

**TOTAL REVENUES**

	FY 2012/13 Estimated	FY 2013/14 Adopted
Operating funds	\$ 27,051,240	\$ 25,758,628
Debt service funds	422,525	1,097,525
Capital improvement funds	162,642	138,684
Capital replacement funds	1,506,020	3,179,232

Table 4

**USE OF PROPERTY TAX REVENUE**

	FY 2012/13 Estimated	FY 2013/14 Adopted
Water Fund	\$ 200,000	\$ 540,701
Fire / EMS	2,100,000	100,000
Fire Capital Purchases	0	150,000
San Vicente Sanitation	0	51,233
Santa Maria Sanitation	0	42,694
Water Service Debt	115,190	615,190
General Fund Capital Purchases	0	25,000

(continuation of Table 4)

General fund	\$232,840	\$0
Water capital replacement funds	\$600,000	\$2,304,034
San Vicente capital replacement	\$801,970	\$521,148
Santa Maria capital replacement	\$100,000	\$350,000
Total	\$4,150,000	\$4,700,000

Table 5

**DEBT SERVICE FUNDS BEGINNING BALANCES**

	FY 2012/13 Estimated	FY 2013/14 Adopted
Assessment District 99 – 1	\$ 270,862	\$ 271,832
Water Debt Service	30,650	430,650
Fire Capital Purchases / Mitigation	193,639	225,974
General Fund Capital Purchases	166,156	166,156

Note: Water and wastewater capital replacement funds are currently derived primarily from discretionary property tax revenues. (Source: District Adopted Budget for FY 2013-14). The District Net Position from all funds is a positive one of approximately \$1,854,875, before contributions.

**Audit Service Schedule:** Completed Annually in a Comprehensive Annual Financial Report (CAFR)

**Current Planning Document Resources:** 2010 Updated Urban Water Management Plan; 1998 Wastewater Master Plan; 1998 Water Master Plan; 2011 Raftelis Water Rate Study Report; 2013 Draft Santa Maria Wastewater Facilities Plan.2014 Bartle Wells Santa Maria Sewer Service Area Sewer Capacity Charge Update Report.2014 Bartle Wells Santa Maria Sewer Service Area Sewer Rate Study Report.

**Cooperative Programs:** The District is a member of the San Diego County Water Authority (SDCWA) and has participated in cooperative projects and programs with the SDCWA and Metropolitan Water District of Southern California (MET) over the past 35 plus years. This relationship provides opportunities for cooperative



programs and operations. The District has received grant funding to provide water conservation rebates, landscape irrigation audits to help customers reduce water use, and recycled water funding credits as rebates for use of recycled water. These programs have been funded on a project by project basis from both the SDCWA and MET. A list of active or current cooperative programs includes:

- The District has previously had an agreement with the City of San Diego to allow for purchase of surplus water from Lake Sutherland in periods of adequate rainfall. When rainfall occurs that fills the lake above a designated level, the City has given the District the option to purchase local water for use for treatment at the Bargar Potable Water Treatment Plant. While not currently in force, the District is studying ways to put this program back into service in the future to improve supply reliability.
- The District developed Lake Ramona at its own expense (including a US Bureau of Reclamation Grant) in the 1980's. Due to the increased cost of imported water and mandated conservation (20% by 2020); the District demands for water from the lake have left excess capacity of 5,000 – 6,000 acre-feet unutilized in the lake. The District is holding ongoing discussions with the City of Poway to consider developing a joint emergency supply storage agreement and treatment program for emergency situations. The District could store water for Poway and provide it for treatment when needed. The District would benefit from having some treatment capacity available from the City of Poway Potable Water Treatment Plant. A similar arrangement existed in the early 1990's but was not continued due to the City of Poway projecting the need to use all of the available capacity. Conservation efforts may have lessened this demand for the future.
- The District currently uses spray irrigation to dispose of treated effluent for a portion of the effluent from the Santa Maria Wastewater Plant. The District is studying alternative user development options. The goal is to utilize as much effluent to offset imported water demands. This would also reduce the District's requirement for leasing and operation of additional spray field grasslands in the area.

## **SERVICE SUMMARY AND DISCUSSION**

### *Service Authorization History*

The Ramona Municipal Water District provides potable water, wastewater, recycled water, fire and emergency medical services, and recreation and park services within

the unincorporated east-county community of Ramona. The District was formed in 1956 to replace the Ramona Irrigation District. Initially, the District was authorized to provide only potable and agricultural water services; however, in subsequent years, the following new services have been authorized through activations of latent powers:

- 1971: Wastewater service activated in a limited area of the San Diego Country Estates;
- 1975: Recreation and park service activated in the existing district area;
- 1980: The County-dependent Ramona Sanitation District (SD) was dissolved and service responsibility covering the Ramona Current Urban Development Area (CUDA) transferred to the Ramona MWD;
- 1981: Fire protection and emergency medical services activated throughout the district; Ramona Fire Protection District (FPD) dissolved; and
- 1993: The County-dependent Mt. Woodson Ranch Sanitation District was dissolved and responsibility for wastewater service transferred to the Ramona MWD.

## **District Water Facilities and Operations**

### *Potable and Agricultural Water Services*

The Ramona MWD is a stand-alone potable water and agricultural water service agency due to being separated from other facilities by topography and being on the eastern edge of the urban development interface of the County. Historically, since rapid development in the 1970–90s, the water supply, storage and delivery system have experienced periods of supply reliability stress as well as the impacts of periods of drought. In 1988, the voters in the District approved a ballot measure related to this situation of limited supply capability. The plan presented to the voters was for funding water facilities plan to finance needed operational storage, pipeline and pumping improvements in the District totaling up to \$16,000,000. Several new pipelines and a pump station were constructed as well, as a west end tank with three million gallons of additional treated water storage. In the early 1990's, several additional projects were identified to improve the reliability of the system and replace aged equipment but due to the drought periods, the slowing down of water sales and limited new connections, only a minimum of improvements were made in the late 1990's and early 2000's.

The Ramona MWD states that it has 9,273 potable water and 211 non-potable water connections. The District is a member of the San Diego County Water Authority

(SDCWA). The SDCWA has historically been the primary water source to the District except when local water supply in Lake Sutherland was available for purchase from the City of San Diego. The District owns the Bargar Potable Water Treatment Plant near Lake Sutherland but that plant is currently non-operational. The District reports that ongoing monitoring of the three year drought impacting the State of California is a priority, with water conservation efforts continuing. The SDCWA and District have determined that an adequate supply of water is available to serve customers for the foreseeable future due to purchases of alternative supplies and conservation.

The District developed the Lake Ramona reservoir project with a capacity of 13,400 acre feet in the western region of the district in the late 1980's to store untreated water for agricultural uses. Lake Ramona contains underutilized capacity for the District based upon current and projected agriculture users' water demands. The District conducted conceptual studies of installing potable treatment near Lake Ramona or Mt. Woodson but no plan was approved.

As a result of the major fire events in 2007 that impacted the ability to deliver water to the community, special emphasis and planning by the District and many involved agencies has taken place since 2007. SDG&E has replaced a majority of their electrical supply system including installation of steel poles and new wiring circuits to the Poway Pump Station. The District has replaced several major pumps. An alternative power production system utilizing natural gas is being designed to be installed by the district and a gas pipeline funded by the District is being designed to be installed by SDG&E. This project is expected to provide both cost effective power and a reliable source during power blackout or fire situations. The estimated cost to the District is about \$2,000,000. Several grants and cost sharing initiatives including participation by SDG&E are being explored by the District for reducing the cost to the District and ratepayers. The District advises that the project will be completed towards the end of 2014.

## **Fire and Emergency Medical Services**

### *Fire Protection History*

The District has provided fire protection and emergency medical services since 1981 with the activation of latent powers and dissolution of the Ramona Fire Protection District. In 1993, the District contracted with CAL FIRE to provide services with CAL FIRE personnel. Fire services have been addressed in a separate Municipal Services Review.

The wildland fires of 2003 and 2007 presented major challenges to the District in terms of undersized and vulnerable facilities to the major fire events. In October 2007, the

Witch Creek Fire that spread from east of Ramona, through the community and into Poway, the San Pasqual Valley, and into Rancho Bernardo, caused a condition resulting in an evacuation of the community. Water supply was over subscribed and eventually interrupted due to the fire damaging the two sources of electrical power to the Poway Pump Station and to other internal pumping facilities. SDG&E's wooden poles and wires were damaged and no alternative power source was available for several days. Storage tanks were drained dry. Help was eventually obtained from regional agencies to secure the entire potable water system, and reinstall power to the pump station by SDG&E, and to begin refilling the water backbone and delivery system. After two days, as required by the Department of Environment Health, water quality tests were completed and verified that it was safe to reenergize the water delivery system. A summary of the timeline provided by the District is provided under **Issue 4**.

It is documented from several interviews and news articles that the disruption in water service and delay in reenergizing the water delivery system by the District caused distress among residents who had evacuated the community and could not return, as well as, those who remained in the community and had no water supply for days. The delays of the notification to residents over several days focused on concern and frustration.

## **Wastewater/Water Reclamation Services**

### *Service Area Description and Facility Discussion*

The Ramona MWD currently provides wastewater services in two specific areas of the District as illustrated on Attachment Map 1. The District approved a Wastewater Master Plan in 1998 and has identified various improvements to both the Santa Maria and San Vicente Water Reclamation facilities needed in the next ten years. The District reports that it has current capacity for 9,000 Equivalent Dwelling Units between the two treatment facilities. In January 2013, the District Board of Directors initiated a study of alternatives to determine needed facility improvements and possible funding methods to generate revenue to fund projected Capital Improvement Program (CIP) and replacement projects over the next ten years to the Santa Maria Water Reclamation System area. The District is also undergoing a planning process to make improvements to the San Vicente plant to reduce brine disposal operating costs. In July, 2013, the District retained the services of a financial consultant to develop a cost of facilities and services for the Santa Maria Water Reclamation facility as well as for a study for sale of recycled water from the San Vicente Water reclamation facility.

**Santa Maria Water/Reclamation Plant:** The Santa Maria Sewer Service Area and Facility is located in the western side of the Ramona Town Area north of Highway 67 and is permitted by the San Diego Regional Water Quality Control Board (RWQCB) for

1.0 million gallons per day (mgd) of 30 day average dry weather effluent flows. (Refer to Attachment Map 1). Average monthly flows in recent years have been less than permitted primarily because of water conservation efforts and the increasing cost of potable water. The plant did exceed its rated capacity in 2005 and the RWQCB ordered the District to make improvements in the plant and to reduce inflow and infiltration peaks due to inclement weather as well as increase its spray field or other effluent disposal systems. The system utilizes two disposal methods for treated effluent. The first is a wet weather storage and spray field system (a portion is leased area on Rangeland Road) that can handle up to 780,000 gallons per day (gpd). The second is tertiary treatment of effluent and pumping of an average of 160,000 gpd to the Mt. Woodson Golf Course for irrigation. The District reports that in FY 2012-13, it sold 184 acre feet of recycled water at \$1,068 per acre foot to Mt. Woodson Golf Course. District staff report that there remains available treatment capacity in the plant for 718 Equivalent Dwelling Units or approximately 143,600 gpd of flow for future user connections. In August 2006 and in 2010, the District undertook studies on alternatives to increase the plant capacity and effluent disposal beyond the 1 mgd capacity. Those alternative plans are still being evaluated and improvements have been designed but funds are not available to move ahead with the projects at this time.

In January 2013, a Draft Facilities Plan was presented to the District Board of Directors for planning of reclamation system operations and improvements. The draft plan outlines a number of needed upgrades and replacements to both extend the useful life of the facilities and to improve operational efficiencies. The estimated cost of proposed improvements is \$16.5 million. The proposed improvements would not add capacity to the wastewater treatment facility but would enhance the ongoing operations and capacity to distribute treated effluent to meet RWQCB requirements. The District is also seeking special financial services study proposals to evaluate options for establishing fees to fund the cost of needed improvements over the future life of the facility improvement projects. In July, 2013, the District Board of Directors approved conducting the financial study to identify alternatives to determine needed facility improvements and possible funding alternatives to generate revenue to fund projected CIP and replacement projects over the next ten years to the Santa Maria Wastewater/Reclamation System area. The study as directed was to also evaluate alternatives for possible facilities and sale of recycled water in the west area of the District. Two reports were received by the District in January 2014; the first report calculated an updated method for Capacity Fee Charges and the second calculated projected sewer service rates needed to help fund operations and capital improvements/replacements for the next ten years.

Additionally, the District recently applied for a recycled water planning grant from SDCWA and MWD to study the feasibility of developing a use of tertiary treated water

for landscape and agricultural uses or possibly placement into Lake Ramona as a long range reuse program. The timing of award of the grant is unknown at this point.

**San Vicente Water/Reclamation Plant:** The San Vicente Sewer Service Area and Facility is in the San Diego Country Estates area on San Vicente Road. Refer to Map 2. It provides service to the San Diego Country Estates and adjacent area of Rancho Vicente (Rancho San Vicente Homes). The plant is permitted by the RWQCB for 0.80 mgd of 30 day average dry weather effluent flows. Average flows have been 0.610 mgd over the past several years, therefore producing approximately 1.87 acre feet of reclaimed water per day. The RWQCB permit and regulations require that a storage capacity be provided for up to eighty four (84) days of wet weather storage at the plant permitted capacity or approximately 221 acre feet. The San Vicente plant has three storage ponds for storage of both secondary and tertiary treated effluent. The plant has no spray fields or other disposal capability onsite. The District has long term agreements to sell treated effluent to two local property owners; the Spangler Peak Ranch and the San Diego Country Estates Association. District staff report that there remains available treatment capacity in the plant for 229 Equivalent Dwelling Units or approximately 45,800 gpd of flow for future user connections. There are twenty-seven undeveloped lots in the San Diego Country Estates Assessment District that can connect to the system once they pay the assessment fees.

The District has a three party Effluent Disposal Agreement, entered into with the Spangler Peak Ranch and the San Diego Country Estates Association (SDCEA). The two parties agreed to purchase specified amounts of treated effluent each year; during 2011-12 and thereafter, it is estimated that each party will purchase up to 320 acre feet per year if effluent is available. Under certain circumstances the parties may assign or chose to not take water; however, if certain conditions occur, the District may force either party to purchase water. The three-party agreement will expire in 2018. The San Vicente Golf Course uses a combination of the recycled water and well water resources for its irrigation. It does not currently purchase any potable water from the District.

There are benefits of having multiple purchasers of the treated effluent as the District has no direct disposal system such as an ocean outfall. These benefits are: (1) availability of an alternative disposal system in case of equipment failure such as a storage pond out of service or pump failure; and (2) availability for either party to take and store effluent in a timely manner. Both parties currently pay a relatively low fee for the reclaimed water, which includes a pumping charge. Together these costs are significantly less than the average retail cost of recycled water or even for water that might be available from well sources after figuring in the cost of pumping and filtration. Since introduction of recycled water in the 1970s, the industry guideline has been to retail tertiary treated water at a price of 85% to 100% of the alternative available retail

water price. Therefore, since the District has been in a critical need to dispose of the effluent, it is being sold at a fraction of the retail cost of imported water (\$35 versus \$1,900 per acre-foot for potable water). A comparison of the cost of recycled water from several local water districts is provided under **Issue 2**.

As a result of discussions with the SDCE community and public input to the District staff and Board of Directors of concerns for the appropriate use of the recycled water use, the District has retained the services of a financial consultant to study the cost of producing recycled water at the San Vicente Facility and possible sales price scenarios for consideration in future sales agreements. The timeline for receipt of this study is mid-2014.

Since the existing three-party agreements (Ramona MWD, SDCEA, and Spangler Ranch) will not expire until 2018, it is reasonable to expect that any contract arrangement concept could be further studied by the SDCEA and brought to the 2018 contract renewal discussions.

Some residents of the San Diego Country Estates have expressed interest in purchasing more of the recycled water effluent for use in the community, primarily the golf course. One project that has been analyzed by the Association is to expand one of the existing ponds on the golf course at an estimated cost of \$750,000. This would require permit review and minimize operational impacts to the golf course. In order to obtain revised permits that meet Regional Water Quality Control Board (RWQCB) requirements, any larger project that includes new or significantly expanded storage and pipeline improvements, may require new permits as well as dedicated areas for usage of the water.

A 2007 private preliminary study of the potential to use reclaimed water in areas of open space and landscaping in the Estates estimated construction cost of over \$1.6 million, not counting costs for possible permits, etc. Since the larger project has been considered only at a planning level, it is not known if the community will have concerns regarding the construction of a storage pond and pipelines to supply and store the water. In discussing the project with SDCEA, there is no plan for identifying funding sources or completion of an operating cost analysis for an expanded facility and use at this time. Some residents believe that the golf course could utilize more or possibly all of the effluent being produced by the wastewater plant (currently about 600 acrefeet per year). LAFCO staff's review of the calculations used by the SDCEA reveal that the SDCEA figures over estimate the amount of effluent that the SDCEA facilities could handle annually under normal weather and rain conditions, therefore, it is suggested that a more detailed and accurate analysis should be conducted by the District and/or SDCEA prior to the District considering such an approach. It is highly probable that

additional pond storage and user areas would be required to handle the effluent in normal or average rain years.

One concern brought to LAFCO staff's attention was the past history of the San Diego Country Estates development and why the initial proposal to provide treated effluent to the golf course was not implemented. LAFCO staff reviewed the County development files and determined that the project developer and the District applied and received approval from the County Planning Commission and Board of Supervisors in 1975 to relocate and revise the San Vicente Wastewater Plant and to install effluent spray fields on several adjacent parcels. This alternative was identified as part of the Major Use Permit public review process and resulted from proposed litigation by an adjacent ranch property owner. Spray fields were used until in 1984 when there were complaints from adjacent residential owners and the alternative of selling the effluent to the Spangler Peak Ranch materialized.

Historically, the SDCEA and San Vicente Golf Course management had been interested in obtaining recycled water but no pipeline or pump station from the plant existed. In 2005-07, the District, Spangler Peak Ranch and the SDCEA entered into three-party negotiations and a ten

SUMMARY

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**RECYCLED WATER DELIVERIES FROM SAN VICENTE WRF**

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Expressed in acre-feet per year	Spangler Peak Ranch	SDCEA Golf Course
Fiscal year ended 6/30/2008	535.0	107.5
Fiscal year ended 6/30/2009	396.3	141.5
Fiscal year ended 6/30/2010	320.8	199.6
Fiscal year ended 6/30/2011	325.0	218.3
Fiscal year ended 6/30/2012	333.2	234.7
Fiscal year ended 6/30/2013	284.5	293.1

year agreement was approved that transitioned the delivery of recycled water to a 50/50 percent share to each user as of 2011. This agreement expires in 2018 and it is anticipated that a new agreement will be negotiated. A summary of the recycled water delivered to the two customers as reported by the District is provided above.

Additionally, the issue was raised that the SDCEA ratepayers are paying for the cost of water and treatment/disposal within the San Vicente Sanitation System and not receiving the full benefit back of all of the water to the community and golf course. This issue is discussed in more detail under **Issue 2**.

*Recreation and Park Services*

Municipal Water Districts are empowered within their principal act to provide a wide variety of services including recreation and park services subject to approval of "latent



powers” by a commission. In response to community requests, the District submitted an application in 1975 to provide recreation and park services within its boundaries. At that time, the only County operated park in the Ramona Planning Area was Collier Park (8 acres in area) in the downtown area. Subsequent to commission approval for provision of these services, the District, citizens and nonprofit groups organized and developed a Master Plan for the old well field area along Elm Street and began development of what is now known as Ramona Community Park and the Ramona Community Center on the 166 acre site. The District has provided recreation and park services since 1975 on the 166 acre property east of Elm Street known as the Well Field Community Park. The District contracts with a nonprofit organization to oversee leases and agreements with various local organizations and manage use of the property including an annual rodeo, youth sports, a community and senior citizens center and other community related activities. The District has obtained several County Grants including local parks funds for improvements to the fields, restrooms and Community Center. The District also provides passive recreational services on leased land around Lake Ramona in the form of hiking trails and shoreline fishing.

Recreational facilities include a rodeo and grandstand area, livestock exhibit facilities, softball and baseball fields, equestrian riding trails and restrooms. The Community Center is home to the Ramona Senior Center and provides activities and preparation of meals for seniors. The center is available for rent at competitive rates. The District provided management oversight and leased the facilities to about six nonprofit organizations until 1994. Due to limited budget revenues and interest by the nonprofit groups to make added improvements, the groups formed a parent association to act as an umbrella manager under the name of the Ramona Park and Recreation Association (RPRA). The RPRA has several member associations and an office manager/director. The RPRA and District have conceptualized a Master Plan of the facility and implemented various improvements over the past twenty years. The latest Memorandum of Understanding Lease Agreement was approved in 2008.

While the District has recreation and park service authorization district-wide, the only other area that services have been provided under a limited basis has been at the Lake Ramona site where rural hiking trails exist and link to the Blue Sky Ecological Reserve operated by a JPA including the City of Poway and the California Department of Fish and Game, with support from the nonprofit Friends of Blue Sky Canyon. Located in eastern Poway adjacent to Lake Ramona, the reserve was developed in the late 1990-92 time frame. At Lake Ramona, the District provided an on-site caretaker person in the 1990s at one time for site supervision but that program was discontinued due to a change of persons and limited funding. Due to public access being limited from the Blue Sky Ecological Reserve direction, the reservoir recreation amenity has experienced limited use including shoreline fishing.

Since the 1975 activation of recreation and park service powers, the County of San Diego has developed several other community and regional parks in the Ramona Community including Dos Picos Regional Park, improvements to downtown Collier Park including a Boys and Girls Club, the Ramona Grasslands Preserve, the Barnett Ranch and Simon Reserve near the San Diego Country Estates and the Luelf Pond Preserve. The County Department of Parks has developed a Master Plan of Operations in 2011-12 that initiated new strategic goals and operating initiatives that include maximizing county-wide park facilities and developing cooperative programs with area communities and other local agencies. Use of Parkland Development Funds (Quimby Act Funds) as well as developer fees and user feesto provide regional resources to improve and operate regional and local park facilities. It appears that there may be opportunities for cooperative projects and programs for the District and County to pursue in the future on District and/or County lands.

## **PROJECTED GROWTH AND NEW DEVELOPMENT**

The Ramona MWD has experienced very modest development and population growth in the most recent five year period. The current 2010 population estimate of 33,750 is a slight decrease from 2009 estimates, according to 2010 census figures. The recently approved County General Plan Update reveals a projected reduction in density in several areas of the Ramona Planning Area.

The District's projected 2025 population estimate from its 2010 Updated Urban Water Master Plan is 40,300. Several significant development projects are planned within the next five years including the recently approved Montecito Ranch Development on 935 acres (417 dwelling units and an 8 acre park) on Attachment Map 1; and the proposed Cummings Ranch project on a 400 plus acre site adjacent to the Santa Maria Reclamation Facility. The District maintains that water facilities are capable of meeting current and future demand but wastewater capacity will have to be expanded to serve any major new approved developments. For example, in the Montecito Ranch project approval process, a difference of approach arose for providing wastewater treatment facilities and services. After discussions between the developer, the County Planning Department and the Ramona MWD staff, the Board of Supervisors approved development plans based on an alternative wastewater treatment plan that includes the formation of a separate Community Services District (CSD) operation. According to the approved development plan, this would be a stand-alone wastewater treatment plant and reclamation system administered by its own elected board. LAFCO staff reviewed the documentation of the various positions of the proposals and provided input during this process. According to the developer's engineer, it was estimated that a stand-alone plant and system would cost significantly less than paying the District the estimated fees

of \$14 million for connection capacity and mitigation fees including plant upgrades, pump stations and pipelines, etc. The developer also was concerned about the timing and ability of the District to expand the Santa Maria WRF to handle the additional sewer flows from their project. A review of the District project service analysis reveals that due to current limitations in District sewer pipelines and spray fields, the additional flows would require major force main upgrades and additional spray field improvements.

Formation of a new local agency, a Community Services District (CSD), within the Ramona MWD service area to provide sewer and recycled water service generally conflicts with provisions and priorities in State Law (Government Code Sections 56001, 56301 and 56886.5) where a serving agency currently exists. However, the proponent of the CSD formation believes that a CSD may be able to provide wastewater services more cost-effectively than the Ramona MWD. At the time of the approval of the project, the proponent estimated that costs would be approximately \$4.5-6 million, compared to the cost of \$14-20 million that Ramona MWD had estimated for expansion of its facilities and mitigation areas to serve the proposed Montecito Ranch development. As discussed in subsequent sections of this report, additional project-level study is warranted to determine if the formation of a CSD and the construction of potentially duplicative facilities are justified. Formation of a CSD may also be counter to recent efforts in the County to consolidate sewer services within one county-run sewer agency, as State Law would require the Board of Supervisors to serve as the governing board of the CSD until voters decide if an independent board of directors should be elected per Government Code Section 61000 et seq. Nonetheless, the subject of district formation should be further evaluated both by the Montecito Ranch developer, Ramona MWD, and the County of San Diego. Designation of the Montecito Ranch territory as a Special Study Area within the Ramona MWD Sphere of Influence may help the local agencies and property owner continue discussions and possibly reach a resolution regarding this governmental matter. This issue is discussed further under **Issue 7**.

## **IDENTIFIED SERVICE ISSUES**

At the LAFCO meeting on June 3, 2013, a member of the Ramona community (Ernest Garrett) raised several concerns, which are addressed in the staff report:

- *Negative perceptions of the District in the community by business owners, property developers and customers who have contacted her office.*
- *Development of the San Vicente Water Reclamation Facility in accordance with County project approvals and a project requirement to provide all recycled water effluent to the San Vicente Golf Course.*

- *Compliance with Propositions 26 and 218 in establishing fees and charges for services and connection capacity.*
- *Water system reliability problems including deficiencies in emergency response plans experienced in the 2007 wildland fires causing delay for residents to be allowed to return to the community.*
- *Coordination with the County and public safety entities to develop an emergency evacuation route including access across district owned property west of the Santa Maria Water Reclamation facility.*
- *The perceived high cost of sewer connection and capacity fees.*
- *Concern that alternative service capabilities and methods were not being considered by the District.*

Since the June 3<sup>rd</sup> LAFCO meeting, LAFCO staff met with interested parties and conducted additional review of associated issues. LAFCO staff held over eighteen (18) meetings and phone interviews as outlined in Exhibit 3. Each issue is summarized and discussed below.

#### ❖ **Issue 1: Governance/Communication/ Community Transparency**

*Overview:* Input was received on this issue from the second supervisorial district and the public through meetings/interviews held by LAFCO's Local Governmental Consultant. In evaluating an agency's governance, LAFCO staff may review a number of factors such as responsiveness of staff and elected officials, compliance with state disclosure laws, conduct at public meetings, posting of agendas, level of public participation (open meetings, accessible staff and elected officials, resolution of customer complaints, etc.).

*Discussion:* Historically, the Ramona MWD Board and staff have been perceived as being difficult to negotiate with on development proposals and requests for service commitments - primarily for sewer service. Interviews with several developer and business representatives document that there has been a history of district governance/communication issues, especially in the case in the 2005-2011 time period. However, some comments received from interviewed landowner and developer representatives indicate that the District has been recently more responsive to project requests and submittals to the degree that they comply with adopted District Policy and Master Plans. The reasons for the change in responsiveness may relate to changes of several new members of the Board of Directors in 2010 and 2012, and changes of General Managers in the same time frames. More recent communications have reflected these changes including a letter dated March 28, 2014, received from Mr.

Bruce Tabb of the Montecito Ranch LLC project indicating improved discussions regarding services by the District (**Exhibits 7 and 8**).

As referenced above, the District is also perceived by some parties interviewed to be somewhat more responsive with information and planning for facilities upgrades. However, other persons interviewed including several business owners and a representative of the Utility Consumers Advocacy Network (UCAN), reflect ongoing concern of failure of the District management to be responsive to resolving conflicting issues and their complaints. These were also featured in a Channel 10 News documentary in February 2013 as having occurred primarily from rerating of businesses for sewer capacity and assignment of increased capacity equivalent dwelling units (EDUs). Several of these cases remain unresolved as of the time of the study interviews. LAFCO staff contacted three of the parties with two agreeing to discuss the issues and each advising that potential future legal action is being considered. LAFCO staff met with the District's General Manager and Board President and Vice-President to outline all of the issues that had been brought to our attention. The general response is that the Board and General Manager handle policy issues as needed and are available for all district property owners and customers to attend Board of Director's meetings to address their concerns. Review of the Board Meeting Agendas and Minutes of the past twelve months reflect that at many meetings there are one or more persons addressing the Board on issues on or off of the topics of the meeting agenda. Since the minutes of the meetings are only summaries of the topic discussed, details of most of these issues being addressed or resolved are not readily known.

One additional recent situation of concern is that one elected director (Kit Kesinger), has not attended a District Board of Directors' meeting since May 2013. According to news reports, the initial reason given was a conflict with work schedules as the Board meets regularly at 2:00 PM on the second and fourth Tuesdays of the month. It is reported in the news that the Board has discussed options of any action that they might take to censor or remove Mr. Kesinger due to failure to attend Board Meetings but decided to take no formal action at their meeting on August 27, 2013. Apparently some factors considered by the Board were the anticipated cost to ratepayers if a special election were required and the expectation that the four current board members could effectively represent the community and ratepayers. Of concern from a governance view on the issue is that the voters and customers in the District Division II from which he was elected have not been represented at the Board of Directors' level and only four of the elected representatives have been acting on behalf of the public on District policy and operating issues. LAFCO has no purview over attendance or performance by District officials; however, this issue raises concerns about equal representation for all voters and customers of the District. Comments from the SDAC focused upon the need for transparency and proper representation of the public on the Board and that

accountability by elected officials should necessitate action to replace a nonfunctioning person.

*Conclusions:* An elected Board and appointed General Manager must be responsive to the voters and customers of any district. As discussed in several sections of this report, over a period of time, some residents and customers in the Ramona MWD have become frustrated with planning of the District, increasing water and sewer rates, handling of issues and complaints via the staff and the Board. Several directors have been defeated at elections over the past ten or so years, according to several persons interviewed for this report. Reasons for the turnover are speculative but may pertain to controversial community issues and lack of responsiveness to issues on the part of some board members. The Board and management are encouraged to continue to place added emphasis on working with the voters and customers to improve positive visibility and communication wherever possible. Transparency and responsiveness should also be a primary goal for the District. The Ramona MWD should continue to hold open meetings and publish agendas and reports in accordance with the Brown Act; practice greater accessibility; consider designing and activating a phone and/or message and customer complaint and suggestion center. The District should continue to provide Brown Act and Ethics training to Directors and staff as required by the law. In addition to publicizing public meeting agendas and links to agenda reports on the District Website, the District may also consider publishing press releases on major issues and projects. The public should be encouraged to approach board members with concerns or suggestions.

#### ❖ **Issue 2: Development of San Vicente Wastewater Plant and Recycled Water System**

*Overview:* A member of the public (Ernest Garrett), has questioned the validity of the development of the San Diego Country Estates (SDCE) and associated wastewater facility and recycled water system as it related to the initial project proposal in 1970-71. He stated that the original development proposal included a requirement that all effluent from the sewer plant go to the San Vicente Golf course. Commissioner/Supervisor Jacob requested that the conditions and approval of the project be researched to determine that the District developed the sewer system in accordance with approved planning requirements.

*Discussion:* Review of County documents revealed that the initial proposal by the project developer included a statement that the effluent from the wastewater plant would be used to irrigate the proposed golf course. Review of the County project files also reveals that in 1973 to 1975, while processing required Major Use Permit plans by the developer, opposition arose from an adjacent property owner/rancher to the initial proposed location of the wastewater plant. As a result of threatened litigation and

direction from the County Planning Commission, the project developer and District revised the plant location and design plans to another site, the one of the current plant. The revised plan included provision for several parcels for effluent spray fields as it was recognized that it would be years until the wastewater plant flows would generate an adequate volume of effluent to supply any recycled water to the golf course or other customers. It was stated in the final project report that future fees and taxes would be used by the District to expand the plant and system. The County Board of Supervisors approved the MUP in 1973 and it was constructed by the developer and dedicated to the District on February 5, 1975.

The second part of the stated concerns by Mr. Garrett is that the recycled water produced by the San Vicente Wastewater Facility should be made available to the San Diego Country Estates and San Vicente Golf Course rather than shared with the Spangler Peak Ranch (prior name was Solk Ranch) at the current minimal cost as a disposal method. It was stated that since the sewer users pay the cost of the water and treatment, they should get the benefit of the water after treatment. As stated earlier in this report, the Spangler Peak Ranch use of effluent goes back to about 1985 when plant flows reached a volume that could not be adequately handled by the District onsite spray fields. The owners of the ranch constructed a pump station and pipeline from the wastewater facility to their ranch which is on a hilltop adjacent to the San Vicente Reclamation facility. In 2007, after several years of discussions with representatives of the SDCEA, a three-party agreement was negotiated and the effluent from the plant shared on a 50/50% basis over a ten year agreement period. The SDCEA expanded some of its facilities for operations storage and the District constructed a pipeline and upgraded pump station at a cost of about \$1 million. The agreement expires in 2018 and it is anticipated that a new agreement will be negotiated. In the meeting with the President of the SDCEA and Association General Manager, they both indicated a satisfaction with the current arrangement and an expectation that future negotiations could come to a positive conclusion for the SDCEA to purchase more of the available effluent if the cost was acceptable. In a separate meeting with Mr. Garrett and Ms. Maggie Wolfe-Johnson (a member of the SDCEA Board), it was stated that they believe the SDCEA golf course could handle more volume of the effluent at the current treatment levels and operating criteria from the San Vicente WRF.

Another related issue pertains to an appropriate sales approach and cost/charge for disposing of the produced treated effluent. This has been one of the factors impacting the operation of the plant due to the remote location of the wastewater facilities, the ground water basin standards set by the San Diego Regional Water Quality Control Board and the use of the limited resource of water. Historically, the District had been limited in options for disposal due to location of the plant, growth of flows in concert with

the phasing of the development projects and requirements of the SDRWQCB for disposal. Since the value of imported water has increased dramatically over the past twenty years, the value of recycled water has also increased. While it is true that many of the same wastewater users who pay for the water and treatment reside in the same community as the golf course, the users of the golf course are a subset of the community and also often nonresidents who pay fees to play. Most recycled water is marketed and sold close to the alternative cost of water in order to entice irrigation or other acceptable users to convert to recycled water. For new development, the use of recycled water is mandated if it is reasonably available and affordable as a Best Management practice by the District's Legislative Code and the State's Urban Water Plan Act.

The District is a signatory to the statewide Best Management Practices MOU and has adopted as part of their ordinances that recycled water will be mandated to be used where it is available. The cost of recycled water is generally established to be equal to or slightly less than comparable water sources (100 to 85% of other water). Some agencies offer recycled water at a reduced cost if alternative sources are available such as groundwater from wells or percolation ponds, etc. The District has retained a financial consultant to conduct a cost of service study on this issue and expects to use the results of this study for future agreement negotiations. A comparison chart of recycled water rates is provided below.

*\*Rates are based on 1/1/2013 rate information and are expressed in acre-foot equivalents. Otay WD has three rates based on volume of water sold. Amount shown is average rate. City of Poway is 90% of potable rate. Valley Center MWD rate varies based on the golf course customer's ability to take water and the local well supply capability per year.*

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**SAN DIEGO COUNTY RECYCLED WATER RATES\***

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Ramona MWD	
San Vicente	\$ 35
Santa Maria	1,068
Otay Water District	1,464
City of Poway	1,584
Olivenhain Municipal Water District	1,285
Valley Center Municipal Water District	1,348

**Conclusions:** Review of project files reveal that the developer and Ramona MWD planned and constructed the San Vicente RWF as part of the San Diego Country Estates development plan. The sewer treatment facility was relocated from its initial planned location as part of the facility planning and that change was approved by the County Planning Commission and Board of Supervisors. Since the new location was farther from the golf course and the facility would not produce the necessary volume of effluent for many years, the plan was revised. Spray fields were used for several years



until a local grower agreed to connect to the plant and take the effluent at the cost of pumping charges. After the 2006-07 negotiations and development of three-party agreement, a connecting pipeline was installed by the Ramona MWD to the San Vicente RWF and a portion of the treated effluent is now delivered to the golf course at the cost of pumping. This has saved the SDCEA considerable costs over the past five years and will again in the next five years. If a new long term agreement is negotiated, what it will provide in benefits is subject to future needs and costs to all parties. The Ramona MWD has retained the services of Bartle Wells & Associates to conduct a San Vicente Sewer Rate and Fee Study and a San Vicente Recycled Water Study; the study is expected to be completed before the end of the 2013-2014 fiscal year. Of note is that the District by law has the sole authority to set water and sewer rates after notification and hearing in accordance with proposition 218 and has done so in compliance with State Law in the past five years as described below in **Issue 3**.

### ❖ **Issue 3: Compliance with Propositions 26 and 218**

*Overview:* Proposition 218 was approved by the voters in 1996. It provides that certain special taxes (assessments) and fees and charges for services in most cases are subject to either a vote of the people in the area of the agency proposing the tax, fee or charge or of the property owner in some cases. Proposition 26 was approved by the voters in November, 2010. This law limits new taxes, fees or charges from exceeding the reasonably calculated cost to provide the service for which the tax, fee or charge is proposed. Related to the above issue of sale of recycled water for disposal and at the reduced cost of pumping electricity only, questions have been raised as to applicable rate setting practices and cost of service and benefit; public review, and protest opportunity. A brief explanation of two relevant constitutional provisions follows:

*Discussion:* Proposition 218 provides that certain special taxes (assessments) and fees and charges for services are subject to either a vote of the people in the area of the agency proposing the tax, fee or charge or of the property owner in some cases. It includes a requirement that for water, sewer or other fees or charges that are property service based are subject to a public notice to all property users and subject to an election by protest. The notice must be provided at least forty-five days in advance and state the proposed tax, fee or charge to be considered at a public hearing. Written protests must be submitted prior to or ahead of the closing of the public hearing. The Legislative Body may then adopt the proposed fee or charge or one of a smaller amount if a majority protest is not recorded. The Ramona MWD has responded that they have held appropriate hearings per Proposition 218 for water and sewer rates. Copies of the Proposition 218 Notices for the past five years have been provided to LAFCO staff. The Proposition 218 notices state that the rates are based upon analysis of the costs of operations and facility equipment replacement as included in the District's Annual

Budget. District staff noted that all Proposition 218 notices have been reviewed and approved by the District's legal counsel in advance, to ensure compliance with legal requirements. All Proposition 218 notices have been approved by the District Board at open public meetings. The District has not received any legal findings of non-compliance with Proposition 218 requirements.

Proposition 26 was approved by the voters in November, 2010. This law limits new taxes, fees or charges from exceeding the reasonably calculated cost to provide the service for which the tax, fee or charge is proposed. Any applicable taxes, fees or charges approved prior to the enactment of the law are exempt unless proposed for increase. Proposition 26 contains an exception for assessments and fees and for services to properties subject to Proposition 218 as follows:

*Article XIII C, section 1(e) (7) excludes from Proposition 26's new definition of "tax": Assessments and property-related fees imposed in accordance with the provisions of Article XIII D (Proposition 218).*

Therefore, any property-related fees in existence in November, 2010 were exempt and if changed and increased, would be subject to public notice and possible protest under Proposition 218 process, absent any court cases challenging or interpreting this exemption section. The District completed a Water Rate Study in 2011 and uses the methodology of the study to calculate proposed water rates for Board of Directors' consideration. A copy of the study was presented to LAFCO staff and is on file. At the time of writing this report, the District has received a study for the Santa Maria Sewer Service Area and the Board directed that the study be used in proposing future sewer service rates. No similar study has been completed for the San Vicente Sewer Service Area but one has been authorized as mentioned in the report. It is of note that there is currently a litigation case pending between the SDCWA and Metropolitan WD regarding wholesale water rates and costs that may impact how Proposition 26 relates to water costs and rates. The primary issue in the case is the allocation of costs of services of an agency to various rates for water and component rates to various customers (member agencies). That case is expected to be decided by the trial judge in the coming months.

In regards to the issues of sale and the price of effluent, the District staff state that they have not had to address concerns about costs per Proposition 26 since the system is for disposal of effluent as part of the sewer system design and permits and is administered under a negotiated contract with two user customers. The District also points out that per the three-party agreement, both users of the treated effluent are paying the same cost for the water; the energy cost to pump the water to their properties (approximately \$35 per acre foot). The District has, however, proceeded to

undertake two studies; one for the Santa Maria facility for needed facility rehabilitation projects and alternatives for paying for them and on sewer rates (Studies received in January 2014); and a cost of service study for the San Vicente Recycled Water issue in anticipation of negotiating longer term agreements for sale of effluent and renewed negotiations for use and sale of the recycled water. This study was originally anticipated to be done in 2013 but has recently been authorized for 2014. A copy of the District response on this issue is referenced in Exhibit 4.

*Conclusions:* The RMWD is responsible for setting fees and charges for water, sewer and fire services under the purview of Propositions 26 and 218 as outlined above. The District has provided copies of the public hearing notices for the rate hearings for the past five years under Proposition 218. The District has completed cost of service studies for the water rates and charges and now for the Santa Maria Sewer Service Area. Once the authorized study of the San Vicente Sewer Service Area Sewer Rates is completed and approved, rate setting methodology for each set of fees and charges will be in place. A separate review was made concerning the proper noticing of fees and charges for connection capacity charges for water and sewer facilities under Government Code 66000 et seq. These charges for development mitigation must be noticed and approved at a public hearing under this code section. The District did provide copies of the original adoption by Ordinance of the connection fees and mitigation fees in 1994 and an update ordinance change to the District Legislative Code in 2003. The additional mitigation fee requirement addressed unusual requirements by proposed development beyond the basic connection capacity charge. This is addressed under **Issue 6**. The Proposition 218 notices state that the rates are based upon analysis of the costs of operations and facility equipment replacement as included in the District Annual Budget. A new Santa Maria Sewer Capacity Charge was approved by the Board of Directors on January 28, 2014 and District staff expects the revised sewer rates to be considered in the annual rate setting process later this year. The District should continue its current practice of working with its legal counsel to verify that Proposition 218 notices continue to comply with legal requirements.

#### ❖ **Issue 4: Emergency Response Plans**

*Overview:* As noted earlier in this report, the Ramona community is in a rural region and historically subject to area wildland fires and potentially to earthquake events. Major wildland fires that occurred in 2003 and 2007 greatly impacted the community. The threat and eventual occurrence of fire into the main areas of the community caused an evacuation order of a majority of the community of Ramona in October 2007. The fire event was of catastrophic size and intensity. The District's water supply system is dependent upon pumping water into the community from the SDCWA supply in Poway.

The Poway Pump Station is in a rural area subject to wildland fire threat and is energized by power supplied by SDG&E.

*Discussion:* Two main issues of concern were raised after the 2007 wildland event in October 2007: (1) the District lost its supply of water due to the loss of electrical power to the Poway Pump Station, causing a several day delay in restoring water into the distribution system which also delayed resident evacuation orders being lifted; and (2) the ability of residents to exit the town area was restricted due to limited travel routes on major highways (Main Street and Dye Road to Hwy 67, Hwy 78 through San Pasqual Valley toward Escondido, etc.). In response to these events, the residents of the community demanded that additional planning and facilities improvements be made by the District as well as other agencies and utility providers. The District, as a member of the SDCWA, is advised to plan to provide a minimum supply of water for up to ten days for emergencies and system shutdowns for maintenance. In October 2007, due to Santa Ana weather conditions, hot and windy, water demand in San Diego and Ramona was high. The onset of the fire from the eastern county region increased water use also. When the unusual spread of the fire escalated, public safety officials ordered an evacuation of the San Diego Country Estates and then the entire downtown Ramona area. Many people did start evacuating and many others stayed with their properties to defend against fire. The extremely high water demand placed severe impacts on the storage and pumping systems. When the fire proceeded through the community and into Poway and San Pasqual Valley, electrical lines were destroyed and power to the Poway Pump Station severed. The storage tanks throughout the District flowed to low levels and pipelines went dry causing loss of service to most of the District service area. The District has provided an outline of the events that occurred from October 21, 2007 to October 29, 2007 from the District's perspective of impact and response as follows:

*Sunday, Oct. 21<sup>st</sup> Fire is reported in east area of Ramona area; Fire quickly spreads west into Ramona and toward Poway and San Pasqual areas.*

*Monday, Oct. 22<sup>nd</sup> Power & communications issues surface; Water Authority Emergency Operations Center (EOC) Activated at 6:45AM; Aqueduct flows increase for fire-fighting supply; Communication established with County EOC.*

*Tuesday, Oct. 23<sup>rd</sup> Ramona MWD requests assistance to locate portable generators SDG&E loses two of three power links to county; CA Dept. of Public Health (CA DPH) initiates Ramona boil water advisory; RMWD staff make manual flow changes at Flow Control Facilities (FCF).*

*Wednesday, Oct. 24<sup>th</sup> Ramona able to turn on second pump at Poway Pump Station Ramona begins shutting off meters to refill system.*

*Thursday, Oct. 25<sup>th</sup> Mobile chlorination unit tested at Fallbrook PUD45 CWA & member agency staff assist with meter shut-off request; CA DPH boil water notice expanded to “do not drink”; CWA damage assessment team deployed to inspect; SD/SF #3 structures (roof damage found).*

*Friday, Oct. 26<sup>th</sup> Ramona water system filled; Bacteria testing begin; CWA assists Ramona with system turn-on plan; SDG&E accelerates repairs for Ramona facilities: Ramona evacuation order lifted.*

*Saturday, Oct. 27<sup>th</sup> Bacteria testing of water supply continue; Approximately 105 CWA & member agency personnel respond to assist in meter turn-on effort; Approximately 10,000 service meters turned back on by 7PM.*

*Sunday, Oct. 28<sup>th</sup> SDG&E restores power to Ramona Pump Station Water quality sampling continues.*

*Monday Oct. 29<sup>th</sup> CA Public Health Dept. lifts “do not drink” order for Ramona area.*

The main concerns stated by representatives of the County, residents and businesses have been that the District did not have a backup plan for power to pump water and when the system lost supply, they could not correct the condition for several days and status reports to residents were not often enough or consistent. It is reported that the District then did not agree with evacuation orders being lifted and residents returning to the community without potable water and fire flow supply being available. According to post-fire event reports, the County Chief Administrative Officer, who is the designated Emergency Official, in disasters for county areas, eventually made the decision to allow the residents to return into the community. Additionally, it needs to be pointed out that the Ramona MWD participates as a member agency with the San Diego CWA as the water agency liaison in the County Emergency Operations Center (EOC). Coordination of communication among the affected agencies from policy direction to responsiveness to actual field conditions is critical for effective implementation in an emergency. Feedback from debriefing after the disaster indicates that Ramona MWD policy decisions were delayed and not consistent to the SDCWA EOC representatives for responding to the County. In “lessons learned” assessments, the agencies took away a need to improve coordination from the field to the various agency EOC’s. The SDCWA staff reports that training has been carried out since this incident to improve the ability within the water agencies to identify point of responsibility and authority by all member agencies including Ramona MWD.

The Ramona MWD staff reports that it has responded to the impacts of this latest emergency event in several ways including upgrades to the Poway Pump Station including new electrical components and additional pumping capability; initiating a

project plan to install a natural gas pipeline to Poway Pump Station as a secondary power source; coordinating with SDG&E on replacement of the electrical supply system of poles and wires with steel poles; purchase of two large portable generators that can be delivered to facility locations needing temporary power; completion of an Emergency Response Plan in accordance with NIMS/SEMS for all District operations personnel and facilities that identifies needs and responsibilities within the District and related agencies; and upgrades to several communication systems. Several community meetings and a disaster planning drills have also been conducted including District participation.

*Conclusions:* The District has taken positive steps for improving reliability for its supply system and distribution facilities. The purchase of backup generators for powering of isolated facilities provides essential reliability in the system. The planning and proposed installation of a natural gas powered pumping system at the Poway Pump Station is a major improvement for providing water supply reliability. The District's preparation of an Emergency Response Plan is also a positive step. More ongoing training and reliability assessment of District facilities and operations is encouraged as well as continued coordination with other agencies on response plans, procedures and resources.

#### ❖ **Issue 5: Emergency Evacuation Route Planning**

*Overview:* During the major Witch Creek Fire event of October 2007, traffic to exit the community was in gridlock due to having to drive west out of the SDCE and downtown areas. While it is generally recognized that major roads will be impacted by major event factors, a separate community effort arose to identify possible alternative evacuation routes to bypass perceived bottlenecks from the various subareas of the community, especially from down town to the west. One of these became a proposal to have County emergency personnel be capable of directing traffic exiting from the northern downtown area via the Montecito Avenue area north of the Ramona Airport to the west linking to Rangeland Road and Highland Valley Road.

*Discussion:* A working group of County representatives of public safety, planning and parks staff, and the District met several times in 2010-12 to work on proposed alternative evacuation routes, resulting in the focus on a proposal to designate a route west of Montecito Road and across the northern boundary of District owned property generally known as the Santa Maria Spray fields. At a meeting in September 2012, it is reported that the group, including the then District Board President and General Manager met with Supervisor Jacob to discuss a proposed route and agreed to recommend review by their mutual legislative bodies to develop an agreement to allow for the emergency use across a portion of District properties. Both the County staff and District staff took the proposal concept to their boards for authorization to negotiate a

final agreement. On October 9, 2012, the County Board of Supervisors authorized the County Administrative Officer (CAO) to negotiate a final agreement. On October 23, 2012, the Ramona MWD Board of Directors discussed the issue and identified several concerns with the proposed route. The Ramona MWD Board directed that an Ad-Hoc Committee meet to discuss final issues to be addressed in an agreement and communicate those concerns to the County. Subsequent to the Ad-Hoc Committee meeting, a letter outlining various concerns was sent by the District to the County CAO, on December 13, 2012. The District states that no response was received from the county for two months and a second letter was sent to the newly appointed CAO (Helen N. Robbins-Meyers) on February 21, 2013, restating the concerns and proposing an alternative method of conveying right-of-way to the County in return for mitigation property for substitute spray field property adjacent to the District property.

After the District informed the County of the additional concerns with the previously discussed alignment and requests for improvements not previously discussed, the County responded with a letter dated March 4, 2013, clarifying the inability of the County to utilize certain alternative lands and the desire to continue to meet to discuss the preferred alternative. The District responded on March 26, 2013 with a more detailed letter and concerns to be considered at a future meeting. A meeting was scheduled for July 12, 2013, but was cancelled due to notice that some County staff would not be able to attend.

Discussions in late July and August 2013 with LAFCO staff revealed that there was still interest in pursuing a solution to the proposed plan and project. County and District staff and the District Ad-Hoc Committee met on September 12, 2013, to share positions on the plan and agreed to go back and develop alternative solutions to address concerns by each agency. While it is not LAFCO's role to be involved in these levels of policy and operating issues, it is hoped that these discussions will result in positive solutions to finalize an agreement for the plan and project to serve the community of Ramona. As of the date of preparation of this report, no resolution has been announced on reaching a final agreement on this project. On April 28, 2014, County staff reported that an updated position and response from the County to the District is being prepared at that time. Copies of the available correspondence are attached as reference materials in Exhibit 5.

*Conclusions:* Efforts to develop solutions to issues such as providing additional emergency evacuation routes and plans are a community level challenge. As a primary service entity in the community of Ramona and having a vested interest in the well-being of, and protection of the residents and customers, the District should continue to participate actively in addressing community level issues and helping to find solutions

where they will not negatively impact the District. It is in the best interest for the entire community for solutions to be found and the District is encouraged to continue to actively participate in studying and developing them where possible.

#### ❖ **Issue 6: Sewer Connection and Capacity Fees**

*Overview:* One of the concerns brought to the commission's attention by several commercial sewer customers, primarily in the town area of the Santa Maria Sewer Service Area (SMSSA), relates to perceived high connection and capacity fees and "re-rating" of several business uses. "Re-rating" as used in this discussion means changing the allocation of EDU's of capacity for a commercial sewer customer by the Ramona MWD due to change of property use .

*Discussion:* LAFCO staff reviewed a news article and Channel 10 News video program from February 2013 that highlighted this issue. The article made reference to several commercial customers as well as to the Utility Consumers' Action Network (UCAN) organization in San Diego regarding complaints of high cost fees and billings by the District. LAFCO staff contacted several of the referenced parties to obtain input and the status of these concerns. Two parties declined to discuss the specifics of the cases, citing possible future litigation issues and two stated that they had ongoing concerns with how and what the District carried out in processing the re-rating of the property. The general practice of rating a commercial user for a sewer service impact is utilized by most sewerage agencies. There are recognized standard methods and guidelines that have been developed utilizing studies of sewer flows and discharges including suspended solids, biological oxygen demand (BOD) and other industrial discharge factors, including those by the American Water Works Association (AWWA), the Joint Committee of the Public Health Association and the Federation of Sewage and Industrial Waste Associations for establishing standards for the agency to utilize. The District has adopted in its Legislative Code, Chapter 7.52 (Santa Maria Sewer Service Area: Rules and Regulations) and Chapter 7.54 (San Vicente Sewer Service Area: Rules and Regulations) standards and procedures for establishing sewer connection fees and charges and for conducting a rating and an engineering analysis to be completed as part of an application for service or a re-rating process. For commercial parcels, for sewer use and charges, the number of fixture units on each building as well as annual water demand for process water are some of the factors taken into account to determine the number of water EDUs required for the parcel, as well as the use of the business and the total square footage of the establishment is taken into consideration. This often occurs on a change of use or ownership due to licensing or the need for new permits, or upon inspection of District main lines and cleaning, etc.



The District, as part of its Legislative Code and Sewer System Management (operating) Plan, has a standard for all commercial users with identified impacts to be checked periodically (as often as each six months). Customer requirements include installation and maintenance of special equipment, such as a grease interceptor to prevent extra loading into the sewer. If violation of these standards is found, in accordance with the waste discharge permit for the establishment and the District's Legislative Code, users may be subject to re-rating of capacity and charges, possible penalty and/or fine as determined by the District's Legislative Code. It appears that at least one of the situations identified in the February 2013 news, Mr. Plantiers', were of this type situation. Each situation was evaluated by the District to determine if additional capacity was required to be purchased by the property owner. Since the additional Equivalent Dwelling Unit (EDU) impact had been in the range of \$5,432 plus a Mitigation Fee totaling as much as \$20,000 (the current charge is now \$13,090/EDU), and the annual service charge is \$637, if a major use change has occurred, if additional EDUs were required due to the change in use, the cost could be in the many thousands of dollars. Again, as each situation warrants an engineering type analysis, no specific conclusion can be made as part of this LAFCO staff administrative review.

One factor that was mentioned in some of the discussions with concerned customers (UCAN and Mr. Gene Plantier) is the approach taken by the District in identifying these situations and communicating them to the customer/users for resolution. To summarize one case, Mr. Plantier, who states he has owned a small restaurant building for years, stated that he received a letter in mid-2012 re-rating his EDU's from 2 to 6.82 and requiring \$130,155 with no advance notice or communication on the issue. According to Mr. Plantier's statement, he requested a hearing with the District Board of Directors and was called by phone at 9:00 a.m. of the morning of the day that the item was on the agenda for a hearing to be held at 2:00 p.m. that day. He states that he attended the hearing, was given three minutes to explain his case and the Board debated his case and made a determination to waive substantial mitigation fees but require a payment of \$33,755.18. According to Mr. Plantier, the case is still unresolved from his point of view.

Discussion of the Plantier issue with Ramona MWD staff revealed a different explanation of the issue and the following description of events. District staff's explanation was documented to LAFCO by District Board of Directors' memorandums and copies of correspondence:

Sewer line Closed Circuit Television testing inspection (CCTV) on March 23, 2012 identified excessive grease coming from a sewer lateral from an establishment at 109 10<sup>th</sup> Street. A letter was mailed to the property owner on April 12, 2012 notifying him of the problem and requesting for him to contact the Engineering Department for

discussion. The letter included an estimate of required EDUs for the establishment and noted the establishment did not have a waste discharge permit in place as required of all establishments. In response to the letter received, Mr. Plantier contacted the District and a meeting was held on May 1, 2012, with Mr. Plantier. A letter documenting the meeting and requirements was mailed to Mr. Plantier on June 4, 2012. It is noted that the letter dated June 4, 2012 included a table with a description of all fees and charges required to bring the account to current status and the total was \$33,755.18 and not the \$130,155.18 as stated by Mr. Plantier. A meeting with Mr. Plantier and District Engineering staff was held on July 10, 2012 with no resolution of the issue. A meeting with the General Manager at the request of Mr. Plantier was held on August 16, 2012, again discussing the situation. Mr. Plantier requested a hearing with the Board of Directors and a hearing was held on November 11, 2012 and continued to December 11, 2012. At the hearing, Mr. Plantier was provided an opportunity to present his input. The District's Undocumented EDU Ad-Hoc Committee had made a recommendation to deny the property owner's request to forgive the \$33,755.18 fee for additional EDU charges for the additional EDU's (4.82 EDU's) and require the property owner to make application for an Industrial Waste Discharge Permit including the \$600 application fee. The Board of Directors approved implementing the recommendation to request payment of the additional fee. Staff advises that the Permit fee was later adjusted to be \$250 since the use of the facility had existed previously.

The second issue of the cost of the current EDU capacity charge for a previously installed sewer customer being re-rated concerns some respondents. The cost impact often involved in a re-rating situation may have a major financial impact on a small business owner, whether the change of service was intentional or not. As an example, for new proposed service applications in the Santa Maria Sewer Sanitation Area, until recently the District required payment of or a Lien Agreement which included the EDU connection payment and mitigation fee until the connection is completed and inspected, often up to a year. This is the result of the District adopting in September 2006, an Ad Hoc Mitigation Fee Ordinance 06-305 that added Section 7.52.031, and Determination of Mitigation Fees, *"to be implemented on a project by project basis to defray the costs of public facilities related to a development project."*...*"It is the intent of the District to use connection fees to address the sewer facilities needed but mitigation fees may be use if the connection fees do not cover a required improvement."* It is noted that the District's Legislative Code does allow a payment over time method at a nominal interest rate to assist impacted sewer rate payers.

The District has informed LAFCO staff that one focus of the Santa Maria Facilities Study was to evaluate the required facility upgrades and improvements and the costs to develop an updated methodology for the funding of these facilities and how the funds

are to be collected; by connection capacity fees, mitigation fees and/or by user charges, or a combination of all sources. The study was completed in early January 2014 and adopted by the Districts' Board on January 28, 2014. The new Santa Maria Sewer Capacity Charge eliminates the separate connection and mitigation fees and creates a single charge of \$13,090 per EDU.

Based on discussions with involved parties, it appears that some of these issues may be headed to possible litigation and will be resolved over time in some manner. Research of news articles reveals that some of the situations have been resolved by payment to the District and/or action taken on modified decisions by the District's Board of Directors.

*Conclusions:* The main concerns of this issue section of the report are that the District address communications with and interaction with customers in as positive and open a manner as possible. Since many commercial customers have been in operation for many years, any increase in EDU capacity and charges are significant cost impacts on established businesses or users. Re-rating of capacity and costs should be completed on a proactive approach with cooperation of the customers and full explanation of the implications and steps needed to meet the requirements of the District's Legislative Code and adopted Sanitation Sewer Management Plan procedures. The documented letters noticing Mr. Plantier of his issue implements this process as established by the District's Legislative Code. It is of interest to note that the connection capacity for the Santa Maria Sewer Service Area had historically been \$5,432 per EDU plus a Mitigation Fee to total up to \$20,000 and was previously approved in October 1994 at \$5,412 with an adjustment factor to be used based upon the 20 Cities Construction Cost Index; in 2003 per Ordinance 03-249, the adjustment factor was removed and connection fee set at \$5,432 per EDU. In the Wastewater Master Plan approved by the Board of Directors in 1998, it was recommended that the District develop a Capital Improvements Plan of facilities to plan for the growth and maintenance of the Santa Maria Sewer Service (SS) Area. Various facilities planning processes have taken place since 1998, as recent as in 2006 and 2010; however no updated Master Plan or updated capacity and facilities plan had been adopted. The major development and land use changes that have occurred in the past ten years have changed the anticipated build out of the Santa Maria Sewer Service Area significantly and an updated Sewer Master Plan with projects and estimated costs is needed in order to plan for development and operation of the Santa Maria WRF. The current effort and study by the District appears to be an extension of these efforts for both expansion of and maintenance of the facilities. The study and approval establishing a single Capacity Charge of \$13,090 per EDU in the Santa Maria Sewer Service Area is a positive step. The preparation of a long range Facilities Plan through this study, and public review prior to its adoption, are important necessary steps

to ensure public understanding of what improvements are needed and how the projects will be funded. The District's recently approved Sewer Connection Capacity Charge of \$13,090 compares to the following other small to medium capacity sewer agencies that operate small plants or collect effluent and transport it to another agency for treatment and disposal. For further information, refer to the summary of the sewer connection capacity charges.

<b>SEWER CONNECTION CAPACITY FEE CHARGES (AS OF JANUARY 22, 2014)</b>	
Ramona MWD	
San Vicente	\$19,242 with only 27 parcels Unpaid for 1 EDU each
Santa Maria	\$13,090 and \$1,499 Annexation Fee
Olivenhain MWD	\$1,620 plus a \$6,610 Annexation Fee
Otay Water District	\$5,743 Annexation Fee plus costs of the Collection System Tie-In (Only 2-3 customers per year reported)
Fallbrook PUD	\$6,298 per EDU
Rainbow MWD	\$14,714.49 per EDU
Valley Center MWD	\$8,935; No Annexations are permitted at this time

❖ **Issue 7: Provision of Sewer Service for Montecito Ranch**

*Overview:* As described earlier in the report, the District has provided sewer service in two areas of the District since 1971. The Santa Maria Sewer Service Area was consolidated into the District in 1971 from the County of San Diego. The Montecito Ranch LLC development on 935 acres north of the Santa Maria Sewer Service Area proposes to develop 417 dwelling units and was approved by the County of San Diego Board of Supervisors in August, 2010. The plan approved by the Board includes the provision of sewer services by an on-site small sewer treatment plant and effluent storage pond to be owned and operated by a Community Services District (CSD), yet to be formed. This proposed method of ownership and operations is subject to LAFCO review, analysis and approval. This process will entail a detailed analysis and review of the type of service, cost for capital facilities and operations, applicability with policy principles of governance structure, and impact upon the overall community and ratepayers, voters and landowners. The County selected the jurisdictional option involving the formation of a CSD because it was believed that the cost to the developer of expanding Ramona MWD's San Maria facilities would be in excess of \$14 million,

compared to \$4.5–6 million if stand-alone facilities were constructed through formation of a CSD within the Ramona MWD’s boundaries.

*Discussion:* LAFCO Authority and Purpose in Policy: The provision of services and governmental organization methods are subject to LAFCO review and approval under the Cortese-Knox-Hertzberg Act 2000 (CKH). While the County of San Diego or incorporated cities oversee land use and zoning, LAFCO oversees authorization of service structure within the county areas, usually through establishment of county service areas or through the formation of special districts. The CKH is the source of authority and responsibility for LAFCO overseeing the formation of and review of local government. In 2000, the Legislature greatly amended the Act and in doing so, placed definitive and policy guidance intent in the law.

In Section 56001, the code states in part that the Legislature finds “that the logical formation and determination of local agency boundaries is an important factor in promoting” “efficiently extending government services”; “through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.” The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.” Carrying this policy statement further, in Section 56301, the Legislature said:

*“One of the objects of the commission is to make studies and to obtain and furnish information which will 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. When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services”.*

Additionally, the Commission is directed to evaluate the potential for use of existing agencies before making the decision to establish or create new services agencies. Section 56886.5 states: *“If a proposal includes the formation of a district or the incorporation of a city, the commission shall determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose local agency is deemed necessary, the commission shall consider reorganization with other single-purpose local agencies that provide*

*related services.*” The San Diego LAFCO has addressed these policy directives in adopting your local policy, L-102, and as well as in the adopted Procedures Guide under Reorganization Procedures, and Spheres of Influence and Service Reviews sections, that provide guidance when considering proposals submitted to the Commission and governance decisions. The general guiding direction has been to look to an existing government agency or agencies to provide services before considering establishing new or reorganized agencies, especially in areas already served by one or more local agencies.

Two historical examples to be considered in the Ramona MWD service area were both the merger of the Ramona Town Sewer Service District from the County in 1971 and the consolidation of the Mt. Woodson Sanitation District into the Ramona MWD in 1993. Both were County dependent sanitation districts that were evaluated and found to be better organized by transferring the responsibility and function to the Ramona MWD at those times.

A description of the process for reviewing a proposal for services and approving the establishment of a new Community Services District (CSD) is outlined below to place this issue into perspective.

In an uninhabited area proposed for service, the property owner(s) through a local agency such as the County would request that an agency adopt a Resolution of Application to form a CSD to be submitted to LAFCO for review and consideration. The issue would be considered at a Public Hearing after public notice of 30 days.

The Resolution of Application would be submitted to LAFCO on applicable forms including a plan of service and explanation of boundary and services to be provided. Any affected agencies would be notified of the application and allowed to comment on the efficacy of the proposal.

The LAFCO staff would conduct an analysis of the proposal and the Commission would hold a Public Hearing on the proposal, hear input and/or objections and consider adoption, amendment of the application services and area, or disapprove the application. Terms and conditions would be included such as services to be approved, funding sources identified and possibly a contingency for an election to establish benefit fees or assessments to fund services, and establishment of the governing board authority. Since the Montecito Ranch LLC development is an uninhabited area or with less than 100 voters, the County Board of Supervisors would be designated the governing body of the CSD for up to ten years or until the number of voters becomes 500, or any other acceptable number to the commission per Government Code Section 61022. At the time that enough voters are in the CSD area, an election could be called to consider the establishment of a separate governing board and election of the board members. The development conditions adopted in 2010 for the Montecito Ranch

project contain language that is inconsistent with the above CKH Act and the CSD Principle Act as to how the proposed agency would be formed and administered. These differences of condition language need to be further evaluated by the developer, County and LAFCO staff to resolve the alternative government organization structures before any proposed applications are considered.

Based upon the policy direction of the CKH Act, the Commission must also consider the impact upon existing and future property uses and residents and voters utilizing the services of the affected agency(s) as well as the proposed new agency. Typical issues that would need to be explored are whether approving an alternative service structure would negatively impact other customers or users in the area; whether costs would be similar or less or more for the future users or result in higher costs to existing or future users over time. In the case of the *Montecito Ranch Project*, some of these issues were considered but possibly not all of them to the extent that LAFCO must consider them. Additionally, the establishment of another overlapping agency with administrative functions, governed by either the Board of Supervisors or a separate Board and holding meetings and experiencing costs of administration must be considered. Since the Ramona MWD provides essentially the same services in the adjacent area, the alternative of having the Ramona MWD provide the services must be studied and considered in any process by LAFCO as a matter of policy. Identifying project and facility costs and mitigation factors is important in the process while considering the reasonable impact upon the development in each alternative.

The analysis provided by the developer, as presented to the County of San Diego Planning Commission and Board of Supervisors, indicated that the estimated costs for connection for sewer to the Ramona MWD would be much more expensive than constructing a stand alone, on-site plant and facilities to the developer (estimated then for District at \$14.5 million versus on-site plant at \$4.5 million). Based upon updated information and two years inflation, the comparable developer cost may now be in the \$6–7 million range. However, the quoted estimated annual costs for operating the facilities for future property owners and customers were estimated to be in the range of \$995 per unit per year, considerably more than the current rates for service in the Santa Maria Sewer Service Area of \$637 per unit per year. Other factors should be evaluated such as when the facilities would be constructed and phasing over time since a plant is usually not able to start operation at a very small flow level. An interim service method such as trucking effluent is often required for new development projects. Recent discussions with the developer representatives reveal significant concerns that in addition to higher capital costs, that the Ramona MWD improvements, as defined in the 2006 sewer system evaluation, to make connection and provide sewer service would take too long to be constructed, are not assured of being able to be completed in time and would require significantly longer to be implemented, beyond the control of the

developer. These are legitimate concerns and would have to be addressed in any analysis of the service method alternatives. According to recent contact with the District staff, the sewer system evaluation completed in 2006 has expired and a new evaluation will be required to be completed if service is desired by the District. According to the Ramona MWD, the District and developer are in preliminary discussions regarding several alternative sewer service approaches.

As described previously in this report, the Ramona MWD has recently studied a revised plan of required facilities improvements for the SMSSA that is less costly than previously projected. Many of these improvements need to be implemented regardless of new connections and an analysis of who benefits and who pays is to be part of the current study. It is possible that a new set of facility improvements, schedule for installation and cost allocation could affect the comparison and validity of sewer service provision by the District versus the proposed new CSD on-site plant and system. An updated analysis of these factors would be prudent to be evaluated prior to any consideration by the commission on a proposal for a new sewer service agency to be formed. Another possible option identified by LAFCO staff could be the construction of the stand alone plant and effluent storage facility and operation by Ramona MWD if that option would be efficient and at a substantially less cost to all parties.

As referenced previously, recent contact with the District **staff** and developer **representative** indicates that updated **informal** discussions on potential alternative sewer service methods and facilities **have occurred but no solution acceptable to the developer was reached**. LAFCO staff believes that these discussions should continue and that the parties attempt to reach an acceptable agreement for future service delivery by the Ramona MWD.

The SDAC discussed this situation and policy issue and unanimously recommends that the Commission and staff seek to achieve a coordinated sewer service delivery method and governance structure within the Ramona MWD area and not consider a separate service agency overlapping another, if possible.

Listed below are relevant excerpts from California Government Code Sections (Sections 61010, 61011, 61013, 61014, 61020 and 61022) pertaining to the CSD and LAFCO statutes.

**61010** A new district (Community Services District) may be formed pursuant to this chapter.

**61011** (a) A proposal to form a new district may be made by petition. The petition shall do all of the things required by Section 56700. In addition, the petition shall do all of the following:  
(1) State which of the services listed in Section 61100 it is proposed that the district be authorized to provide upon formation.



(2) Set forth the proposed methods, including, but not limited to, special taxes, benefit assessments, and fees, by which the district will finance those services.

(3) Propose a name for the district.

(4) Specify the method of selecting the initial board of directors, as provided in Chapter 1 (commencing with Section 61020) of Part 2.

(b) The petitions, the proponents, and the procedures for certifying the sufficiency of the petitions shall comply with Chapter 2 (commencing with Section 56700) of Part 3 of Division 5. In the case of any conflict between that chapter and this chapter, the provisions of this chapter shall prevail.

(c) The petition shall be signed by not less than 25 percent of the registered voters residing in the area to be included in the district, as determined by the local agency formation commission (if an inhabited area).

**61013** (a) A proposal to form a new district may also be made by the adoption of a resolution of application by the ***legislative body of any county***, city, or special district that contains any of the territory proposed to be included in the district. Except for the provisions regarding the signers, the signatures, and the proponents, a resolution of application shall contain all of the matters specified for a petition in Section 61011.

(b) Before adopting a resolution of application, the legislative body shall hold a public hearing on the resolution. Notice of the hearing shall be published pursuant to Section 6061 in one or more newspapers of general circulation within the county, city, or special district. At least 20 days before the hearing, the legislative body shall give mailed notice of its hearing to the executive officer of the local agency formation commission of the principal county. The notice shall generally describe the proposed formation of the district and the territory proposed to be included in the district.

(c) The clerk of the legislative body shall file a certified copy of the resolution of application with the executive officer of the local agency formation commission of the principal county.

**61014** (a) Once the proponents have filed a sufficient petition or a legislative body has filed a resolution of application, the local agency formation commission shall proceed pursuant to Part 3 (commencing with Section 56650) of Division 3 of Title 5.

(b) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a district unless the commission determines that the proposed district will have sufficient revenues to carry out its purposes.

(c) Notwithstanding subdivision (b), a local agency formation commission may approve a proposal that includes the formation of a district where the commission has determined that the proposed district will not have sufficient revenue provided that the commission conditions its approval on the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues. In approving the proposal, the commission shall provide

that, if the voters or property owners do not approve the special taxes or benefit assessments, the proposed district shall not be formed.

(d) If the local agency formation commission approves the proposal for the formation of a district, then the commission shall proceed pursuant to Part 4 (commencing with Section 57000) of Division 3 of Title 5. (Not needed if proposal has unanimous consent of property owners).

**61020 The initial board of directors of a district formed on or after January 1, 2006, shall be determined pursuant to this chapter.**

**61022 (a) In the case of a proposed district which contains only unincorporated territory in a single county and less than 100 voters, the local agency formation commission may provide, as a term and condition of approving the formation of the district, that the county board of supervisors shall be the initial board of directors until conversion to an elected board of directors (emphasis added).**

(b) The board of supervisors shall adopt a resolution pursuant to subdivision (b) of Section 61027, placing the question of having an elected board of directors on the ballot when any of the following occurs:

(1) When the registrar of voters certifies in writing that the number of voters in the district has reached or exceeded 500.

(2) When the registrar of voters certifies in writing that the number of voters in the district has reached or exceeded a lower number specified by the local agency formation commission as a term and condition of approving the formation of the district.

(3) Ten years after the effective date of the district's formation.

(4) The local agency formation commission has required, as a term and condition of approving the formation of the district, placing the question of having an elected board of directors on the ballot in less than 10 years after the effective date of the district's formation.

As can be concluded from the above excerpts from State Law, since the proposed Montecito Ranch development is an uninhabited property, the process of proposing and establishing a CSD for the proposed service agency would be for the County Board of Supervisors to hold the required public hearing and adopt a Resolution proposing to form the CSD, or for an application to be initiated by landowner petition. If a resolution is adopted, it would then be submitted to LAFCO along with an application and accompanying legal descriptions, plan for services and other required documents and processing fees. LAFCO staff would then complete an analysis and make a recommendation to the Commission for consideration. LAFCO staff would notify the public and all affected agencies of the proposal and accept comments or objections prior to the published date of hearing. The staff would take into consideration

commission policies and applicable law in analyzing the proposal. There are some policy principles in the CKH Act 2000 that would be required to be considered in formation of a new service entity within the existing boundaries of another agency that provides the same or similar services.

Listed below are the following excerpts from the Cortese-Knox-Hertzberg Act 2000 (Sections 56001, 56652, 56653, 56654, 56668 and 56425) as applicable to this situation and referenced in Policy L-102 approved by the Commission.

**56001** The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.

The Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.

The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities are established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions, and limited financial resources. The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

**56652** Each application shall be in the form as the commission may prescribe and shall contain all of the following information:

- (a) A petition or resolution of application initiating the proposal.
- (b) A statement of the nature of each proposal.
- (c) A map and description, acceptable to the executive officer, of the boundaries of the subject territory for each proposed change of organization or reorganization.

- (d) Any data and information as may be required by any regulation of the commission.
- (e) Any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission.
- (f) The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the report by the executive officer and who are to be given mailed notice of the hearing.

**56653** (a) Whenever a local agency or school district submits a resolution of application for a change of organization or reorganization pursuant to this part, the local agency shall submit with the resolution of application a plan for providing services within the affected territory.

(b) The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

(1) An enumeration and description of the services to be extended to the affected territory.

(2) The level and range of those services.

(3) An indication of when those services can feasibly be extended to the affected territory.

(4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

(5) Information with respect to how those services will be financed.

**56654** (a) A proposal for a change of organization or reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency (such as the County Board of Supervisors), except as provided in subdivision (b).

(b) Notwithstanding Section 56700, a proposal for a change of organization that involves the exercise of new or different functions or classes of services, or the divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, shall only be initiated by the legislative body of that special district in accordance with Sections 56824.10, 56824.12, and 56824.14.

**56668** Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

(b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.

(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

(g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.

(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

(i) The comments of any affected local agency or other public agency.

(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

(n) Any information relating to existing land use designations.

(o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

**56425** (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

(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 that the agency provides or is authorized to provide.

(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.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

(j) When adopting, amending, or updating a sphere of influence for a special district, the commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

*Conclusions:* The consideration of a decision to form a new agency within the boundaries of an existing agency, such as the Ramona MWD, that provides similar services, would require project-level updated analysis of proposed facility capacity, timing, construction costs, operating costs to end users and evaluation of agency oversight and management be completed. A fully informed decision would be possible only after this level of detail is provided to ensure future service capability for the area. If issues exist that appear to need addressing in existing agency oversight, management or costs, those should also be addressed in the study process. The long-term build out of the community will also be potentially impacted by the policy level decision that may come from this process. While insufficient information exists at this time to recommend that formation of a new special district should be allowed within the boundaries of the Ramona MWD, one available option to the Commission would be to designate the Montecito Ranch territory as a Special Study Area within the Ramona MWD's Sphere of Influence. This designation would signify that there are service issues that need to be explored further. This designation would trigger a review by LAFCO and Ramona MWD to rereview the possible alternative method of District connection and service with respect to the Montecito Ranch project and conduct an alternatives study at that time. It is also suggested that Montecito Ranch should contact the Ramona MWD to reopen the project evaluation process and revisit the option for connecting to the existing Santa Maria Sewer Facilities in lieu of building their own plant. If resolution is not accomplished, then LAFCO would likely be requested by the proponent to remove the

Special Study area designation and consider the formation of a new district within Ramona MWD's water service area. It is our understanding that Montecito Ranch has contacted the Ramona MWD to discuss the water services needs for the project and they have **held** preliminary discussions of possible revised service method alternatives for the sewer and recycled water portion of the project. However, **an agreement on a solution acceptable to the developer has not been reached.**

The SDAC discussed this situation and policy issue and unanimously recommends that the Commission and staff seek to achieve a coordinated sewer service delivery method and governance structure within the Ramona MWD area and not consider a separate service agency overlapping another, if possible.

#### ❖ **Issue 8: Alternative Service Opportunities**

*Overview:* As discussed in various areas of this report, the District provides what could be classified as core services in the water and wastewater functions but also additional services in Fire/EMS and in Recreation and Parks functions per the District's Principal Act (Water Code 71000, etc.). One of LAFCO's directives in the Cortese-Knox-Hertzberg Act is to consider as part of a Municipal Service Review if either shared facilities or programs and alternative service delivery models may be available or cost effective.

*Discussion:* The District has taken alternative service delivery steps in three primary ways with respect to the following services:

**Fire/EMS:** Provision of Fire/EMS has been contracted to CAL Fire, a State of California department, since 1993. CAL Fire provides wild land, structural fire response and Paramedic response services for the District. The District and community appear reasonably satisfied with this arrangement and recently renewed its agreement with CAL Fire for the next year.

**Water Supply and Treatment:** As previously discussed in the report, there may be opportunities for development of the local supply of water from Lake Sutherland by upgrading the Bargar Potable Water Treatment Plant (WTP) in some manner. The obstacles to this method are initial capital costs and recertification of the WTP. A new water purchase agreement would need to be negotiated with the City of San Diego to ensure the availability of water.

A second program previously noted is the potential for a coordinated emergency supply in Lake Ramona and Water Treatment by the City of Poway. A similar Emergency Treatment Agreement was in effect in the early 1990's but expired. This concept is under review by the two agencies for

future consideration. An additional possibility identified by the District that is still a concept is the study of a repurification reuse project if technical standards and methods are developed and approved by the Department of Public health and deemed feasible. While not expected to be a potable water supply under current operating methods, the additional water could be substituted for untreated water currently being purchased from the SDCWA for agricultural users.

**Recreation and Park Services:** As outlined earlier, Recreation and Park Services were contracted out in 1994 through an agreement with a non-profit community organization, the Ramona Park and Recreation Association (RPRA). This association is an umbrella organization of several non-profit organizations providing community facility and sports field operation and maintenance in the Ramona Community Park. The agreement has been modified and extended over the years eight times. The latest amendment was in 2008. The District collects a district-wide assessment that was voter approved in the 1970's that generates revenues of approximately \$130,000 per year. These funds are provided to the RPRA as a contract contribution toward operations of the park facilities and maintenance in-lieu of the District providing them. The District had expended more than this amount for staff and maintenance expenses annually prior to the 1994 agreement and service model being developed.

As described earlier, the County of San Diego has expanded its Parks and Recreation programs significantly in the Ramona area over the past ten plus years. Both Supervisor Jacob and a community resident, Carol Fowler, have expressed interest in evaluating the potential for an improved cooperative approach by the District and the County Department of Parks and Recreation to consider a joint operations and development program for the Community Park and/or other facilities. They believe that it might be possible that a longer term development plan and improved facility maintenance could be achieved including access to additional parks grants and funding. Over the years County Park and Land Dedication Funds have been received for improvements to the Community Park including for the Community Center, restrooms, and soccer and ball fields. The County currently operates several similar facilities elsewhere in the county as well as regional parks and conservation areas. Contact with Mr. Brian Albright, Director of The County Department of Parks and Recreation, reveals ongoing interest in assessing the potential for cooperative programs with any interested community agency or the District. A major policy consideration and constraint would be parameters of funding of operations and maintenance, facility development



and improvements, and the role of the current non-profit organizations in operating the facilities. Mr. Albright advises that the County has a Board of Supervisors approved policy that any new facilities or programs must have a dedicated funding source or mechanism to not require County General Fund impacts. While no detail discussions have taken place, it appears that this alternative could be of potential benefit to the community and District for future consideration for the long term development of the current Community Park or other park and grass land facilities.

*Conclusions:* The District should continue to pursue the above alternative service and operations options to consider whether they represent the most cost-effective and realistic program. Each listed service area is important to the delivery of services to the Ramona Community and could benefit from additional review and analysis as to potential cooperative program development.

## **SPHERE OF INFLUENCE**

### *Background*

Over forty years ago, the State Legislature instructed LAFCOs to establish a sphere of influence for each city and special district under LAFCO jurisdiction. Spheres, which are defined in State Law as...a plan for the probable physical boundaries and service area of a local agency, promote logical and orderly development and coordination of local agencies, inhibit duplication of services, and support efficient public service delivery. Inclusion within an agency's sphere is a prerequisite for but not a guaranty for annexation as sphere of influences are only one of several factors that commissions must consider in reviewing proposals for jurisdictional changes.

San Diego LAFCO has established and maintained spheres for all independent and dependent special districts and each city in San Diego County. Spheres must be periodically reevaluated to ensure that they reflect current conditions and remain credible planning tools. Changes such as general plan and zoning amendments or new legislation concerning revenue streams can positively or negatively affect agencies' abilities to extend service into new territory. In 2008, San Diego LAFCO adopted Policy L-102, which coupled with adopted implementing procedures, requires spheres be revisited at five-year intervals, commencing in 2008 and every five years thereafter, State Law requires that LAFCOs shall, as necessary, review and update each sphere of influence [Government Code 56425(g)]. LAFCOs are also required to prepare a Municipal Service Review (MSR) to analyze information regarding the efficiency and effectiveness of municipal services when adopting a new sphere or updating an existing

sphere. MSRs are not required when an existing sphere can be affirmed or adjusted slightly and then affirmed.

Policy L-102 discourages major amendments to a sphere that has been adopted, affirmed or updated—with noteworthy exceptions to accommodate: (1) a public health or safety risk 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. It also discourages the duplication of services within special district areas.

Since your Commission initiated the first sphere review and MSR program in 2001, all local agency spheres have been included in at least one cycle of review and affirmation or update. Selected categories of local agencies, such as Fire Protection Districts, or County Sanitation Districts have been addressed in multiple review cycles. MSRs have been prepared for numerous complex projects, and when warranted, sphere updates have been approved. The chronology of sphere review and MSR activity is annually updated and made available in the Commission's Summary of Sphere of Influence and Municipal Service Review activity.

#### *Sphere of Influence Determinations*

LAFCO adopted a sphere of influence for the Ramona MWD that was generally coterminous with district boundaries in 1983. Today, the sphere is coterminous and was previously affirmed in May, 2007 in conjunction with a service review of agencies that provide fire protection services. The sphere was reaffirmed again in August, 2007 as part of a comprehensive sphere review of all special districts in San Diego County. No sphere or jurisdictional changes have occurred since the 2007 affirmations and no new information that would warrant a sphere change has been presented. District responses to the 2012 Five-Year Sphere of Influence and Service Review Questionnaire indicate that the District does not anticipate proposing a sphere change.

Government Code Section 56425 directs the commission to consider five factors (determinations) when establishing, amending or updating a Sphere of Influence. Each of these determinations is addressed and summarized in the following. The written statements of determination required according to State Law are referenced in Exhibit 1.

#### **(1) The present and planned land uses in the area, including agricultural and open-space lands.**

The San Diego Association of Governments and County of San Diego are responsible for land use and development projections for the community of Ramona. The County of San Diego recently completed a comprehensive update of its General Plan, designating

somewhat increased densities in the Ramona downtown urban area and lower densities in the rural and agricultural areas with zoning of minimum lot sizes increasing in most zones. Existing agricultural uses are expected to be under added pressures due to the supply and price of imported water. SANDAG data has been used by the District in developing its 2010 UWMP and forecast of water demands and usage. The District has responded to development proposals in accordance with its adopted 1998 Water and Wastewater Master Plans. Due to the continuing increase in the cost of imported water, some agricultural users are reducing their purchases of water and/or reducing the amount of acreage being operated for agricultural purposes. The projection into the future in the 2010 UWMP is that this trend will continue.

**(2) The present and probable need for public facilities and services in the area.**

The District has completed its 2010 Urban Water Management Plan (UWMP) Update, Water and Wastewater Master Plans in 1998 and a Facilities Needs Study for the Santa Maria Sewer Service Area in January 2014. The District is also in the process of developing upgrades to its primary potable water pumping and distribution facilities including an alternative power source and improving reliability. The Santa Maria Water Reclamation Facility capital replacement program of about \$16.5 million will need to be funded in a still undermined method utilizing a combination of sewer service fees, Capacity Charge funds and general property tax revenues in order to complete needed major facility upgrades and repairs to operate the plant in accordance with the SDRWQCB permits. The planned further improvement of the brine removal system at the San Vicente Water Reclamation Facility will improve the treatment process and reduce costs over the long run. This improvement is planned for early 2014. A Special Study Area designation covering the proposed Montecito Ranch development is proposed to identify unresolved cost of service and sewer facility issues. Unless these issues are satisfactorily resolved with the District, the formation of a new sewer service agency may be pursued by the Montecito Ranch developer.

**(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The District is implementing its 2010 UWMP and 1998 Water and Wastewater Master Plans. As a member agency of the San Diego County Water Authority, the District purchases all of its water via the SDCWA and recycles a portion for reuse on two local golf courses. While the water facilities continue to age from the 1970's and more recent, the District continues to perform major repair projects on a pay as you go basis as funds become available. The District has taken some actions to increase reliability of its supply and pumping systems and should continue to complete the natural gas power

supply project at the Poway Pump Station. The District completed a study of Capacity Charges in January 2014 and modified its Capacity Charge for the SMSSA. A long range funding methodology for major replacement projects at the Santa Maria Water Reclamation Facility must be determined and an updated Capital Improvement Program adopted periodically to ensure that all current and future users have a reliable service available and pay their proportionate share of the costs. Without these issues being addressed it is not clear that the SMSSA can have many additional sewer connections authorized within existing capacity parameters.

The San Vicente Water Reclamation Facility brine disposal system should be upgraded in order to continue to meet permit requirements, reduce future operating costs and provide additional tertiary treated effluent for sale as recycled water. Fire/EMS are provided via a contract with CAL Fire. While current services appear to be provided at an acceptable level, costs for Fire/EMS have been increasing faster than revenues from the Assessment Fees and property tax revenue increases over the past five years. Recreation and Park services are provided via a contractual agreement in one community park and Lake Ramona is available for passive recreation and hiking uses. The County of San Diego provides parks and recreation services in various other areas of the community. It may be possible for a cooperative approach to be considered to expand these or other services between the two agencies.

**(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.**

The Ramona community has several distinct housing areas in accordance with the County of San Diego General Plan. The District provides services in accordance with the approved General Plan criteria. The District and LAFCO staff should identify and review the Latent Sewer powers boundary(s) to identify any boundary issues, such as assessor parcel boundaries that may be split by the latent powers service areas.

**(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

The District provides these services upon request and application to all applicable properties. Additionally, this issue has been addressed by the commission in the SB244 Local Agency Matrix approved by the commission on March 4, 2013.

**The determinations addressing the affirming of the sphere of influence are provided in Exhibit 1 for commission consideration and approval.**

## **MUNICIPAL SERVICE REVIEW**

### *Background*

The current Five-Year Sphere of Influence and Service Review Program, which conforms to the five-year cycle requirements of State Law and Commission Policy L-102, was initiated by sending a service-specific questionnaire to each of the 100 local agencies under San Diego LAFCO's jurisdiction. Every agency including Ramona MWD has responded and provided additional information as part of the study process. The information submitted has been analyzed and LAFCO data bases updated.

### *Municipal Service Review Determinations*

Government Code Section 56430 requires that LAFCO adopt Municipal Service Review (MSR) determinations when establishing or updating spheres of Influence. MSRs cover subjects such as growth and population projects; disadvantaged communities; capacity of public facilities; adequacy of public services, infrastructure needs or deficiencies; financial ability of agencies to provide services; accountability for service needs; and other matters related to effective and efficient service delivery. The following summary covers the MSR statement of determinations in Exhibit 2 to this report.

**(1) The present and planned land uses in the area, including agricultural and open-space lands. Growth and population projections for the affected area.**

Efficient provision of public services is linked to an agency's ability to plan for future needs. For example, a water purveyor must be prepared to supply water for existing and future levels of demand, and also be able to determine where future demand will occur. MSRs will give LAFCO, affected agencies, and the public the means to examine both the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function.

Ramona MWD has adopted a 2010 Updated Urban Water Management Plan in accordance with state law and coordinated its water supply planning with the San Diego County Water Authority. The District anticipates less than a two percent growth factor in accordance with SANDAG growth estimates. The District anticipates that it will have adequate water to supply current and future customers. The District has master plans for each of its two wastewater facilities and has completed facility needs studies for each.

**(2) Location and characteristics of any disadvantaged unincorporated communities in the area.**

On March 4, 2013, San Diego LAFCO adopted a Statement of Determinations for disadvantaged unincorporated communities associated with the Ramona MWD.

**(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

On March 4, 2013, San Diego LAFCO adopted a Statement of Determinations for disadvantaged unincorporated communities associated with the Ramona MWD.

**(4) Financial ability of the agency to provide services.**

LAFCO must weigh a community's public service needs against the resources available to fund the services. During the MSR, the financing constraints and opportunities, which have an impact on the delivery of services, have been identified and enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, service reviews may also disclose innovations for contending with financing constraints, which may be of considerable value to numerous agencies.

The District utilizes a combination of general property tax and water and sewer service charges to fund the water and sewer services. A special voter approved assessment funds recreation and park services at the Ramona Community Park. The past three years of audited statements and the approved annual budgets reflect a trend of adequate revenues to operate the District services.

**(5) Status of and the opportunity for shared facilities.**

Public service costs may be reduced and service efficiencies increased if service providers develop strategies for sharing resources. For example, service providers in San Diego County currently share communication centers, wastewater treatment facilities, and distribution lines. Sharing facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimizes unnecessary resource consumption. Options for future shared facilities and services should be considered. LAFCO may examine efficiencies that could be gained through: (1) functional reorganizations within existing agencies; (2) amending or updating spheres of influence; (3) annexations or

detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Government Code § 56000 et. Seq.

The Ramona MWD MSR has examined several areas where efficiencies are being pursued by the District including alternative water supplies, recycles water and contracting for certain services. LAFCO staff has identified possible opportunities for additional cooperative programs and recommends that further cooperative programs be studied and developed if cost effective.

**(6) Accountability for community service needs, including governmental structure and operational efficiencies.**

LAFCO's role in encouraging efficiently provided public services depends, in part, on helping local agencies explore opportunities that could: (1) eliminate duplicative services; (2) reduce high administration to operation cost ratios; (3) replace outdated or deteriorating infrastructure and equipment; (4) reduce inventories of underutilized equipment, buildings, or facilities; (5) reconfigure overlapping or inefficient service boundaries; (6) replace inefficient purchasing or budgeting practices; (7) implementing economies of scale in operations; and (8) increase cost-effective outsourcing of services.

Ramona MWD is governed by an elected Board of Directors consisting of five (5) directors, elected by division. The Board of Directors has experienced turnover during the past ten plus years and only one current director has served for a full four year term. Additionally, one director has not attended a Board Meeting for over a year and the division area that he represents has gone without elected representation for that time period. The district should proceed to take whatever legally authorized steps that it can to end the term of the absent director, including educating the voters of the vacated division and take steps to hold an election to fill the vacant seat. With this history of governance, including turnover of board members, the existing government structure may be limited in its ability to continue to provide efficient and adequate representation to voters and customers in the District's service area.

The extension of Ramona MWD wastewater services to potential latent powers areas would require a jurisdictional change, including review to address County of San Diego development plans for those areas. In addition, a possible interim step may be to establish a Special Study Area for the Montecito Ranch LLC development area to determine the most effective governance structure for provision of sewer services to the area.

**The determinations for documentation of the results of the municipal service review are included in Exhibit 2 for commission consideration and approval.**

## **CONCLUSION**

The Municipal Service Review (MSR) for the Ramona Municipal Water District has been completed after substantial review of issues and solicitation of input from numerous members of the Ramona Community. The District provides both core services of a Municipal Water District, potable and recycled water and sewer services in two subareas of the community. It also provides other services including recreation and parks and Fire/EMS services. The District Board of Directors and management have changed several times in the past ten plus years and the economic down turn as well as substantial increase in the cost of imported water and municipal operations has placed pressures on water and sewer rates and charges.

The District staff has assisted the LAFCO staff in addressing the various special issues that were brought to the commission's attention and have responded to address several of them. Others are in process or may take a longer timeframe to address as discussed in the MSR report. LAFCO staff and the members of the Special Districts Advisory Committee that reviewed and commented upon the draft MSR report have encouraged the District management to continue to emphasize public outreach and education to inform the property owners, customers and voters of the District plans, priorities and needs as part of increasing public awareness and participation.

The MSR and SOI determinations detail areas of emphasis and further action to be addressed in the future by the District. No change in the SOI of the District is contemplated in the near term future but a special study area is recommended for the Montecito Ranch development area for studying sewer service alternatives if a resolution of the issue cannot be reached soon by the District and the developer.

Therefore, it is:

### **RECOMMENDED:**

1. Find, in accordance with the Executive Officer's determination, that pursuant to Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review process consists of basic data collection and analysis and will not result in disturbance to an environment resource. This action is for information gathering purposes as part of a study leading to an action which has not been approved, adopted or funded.



2. Find in accordance with the Executive Officer's determination that pursuant to Section 150161(b)(3) of the State CEQA Guidelines, sphere amendments and affirmations are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA.
3. For the reasons set forth in the 2013 Five-Year Sphere of Influence and Service Review, adopt the written statements on file specifying the functions and classes of services and affirm the sphere of the Ramona MWD.
4. Establish a Special Study Area designation for the Montecito Ranch development for the provision of sewer and recycled water and direct LAFCO staff to coordinate discussions with the District and the project developer as may be needed to determine a preferred sewer service governance model and service delivery system. (Staff and Special Districts Advisory Committee Recommendation)
5. For the reasons set forth in this report, adopt the form of resolution approving the MSR and SOI and associated determinations as outlined in the document, the Executive Officer's recommendations and Exhibits 1 and 2.

Respectfully submitted,

MICHAEL D. OTT  
Executive Officer

HARRY EHRLICH, SDA  
Local Government Consultant

MDO:HE:ra

**Attachments:**

Map 1 - District Sphere and Service Areas

Map 2 - District Sphere and San Diego Country Estates Service Area

Map 3 - Ramona Community Planning Area

Exhibit 1 - Statement of SOI Determinations

Exhibit 2 - Statement of MSR Determinations

Exhibit 3 - List of Community Contacts and Interviews

Exhibit 4 - RMWD Response on Proposition 26 and 218

Exhibit 5 - Correspondence on Emergency Evacuation Route Proposal




Exhibit 6 - Newsletter by Ramona Chamber of Commerce

Exhibit 7 - Letter from Montecito Ranch LLC dated March 28, 2014

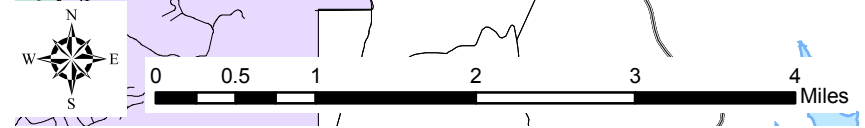
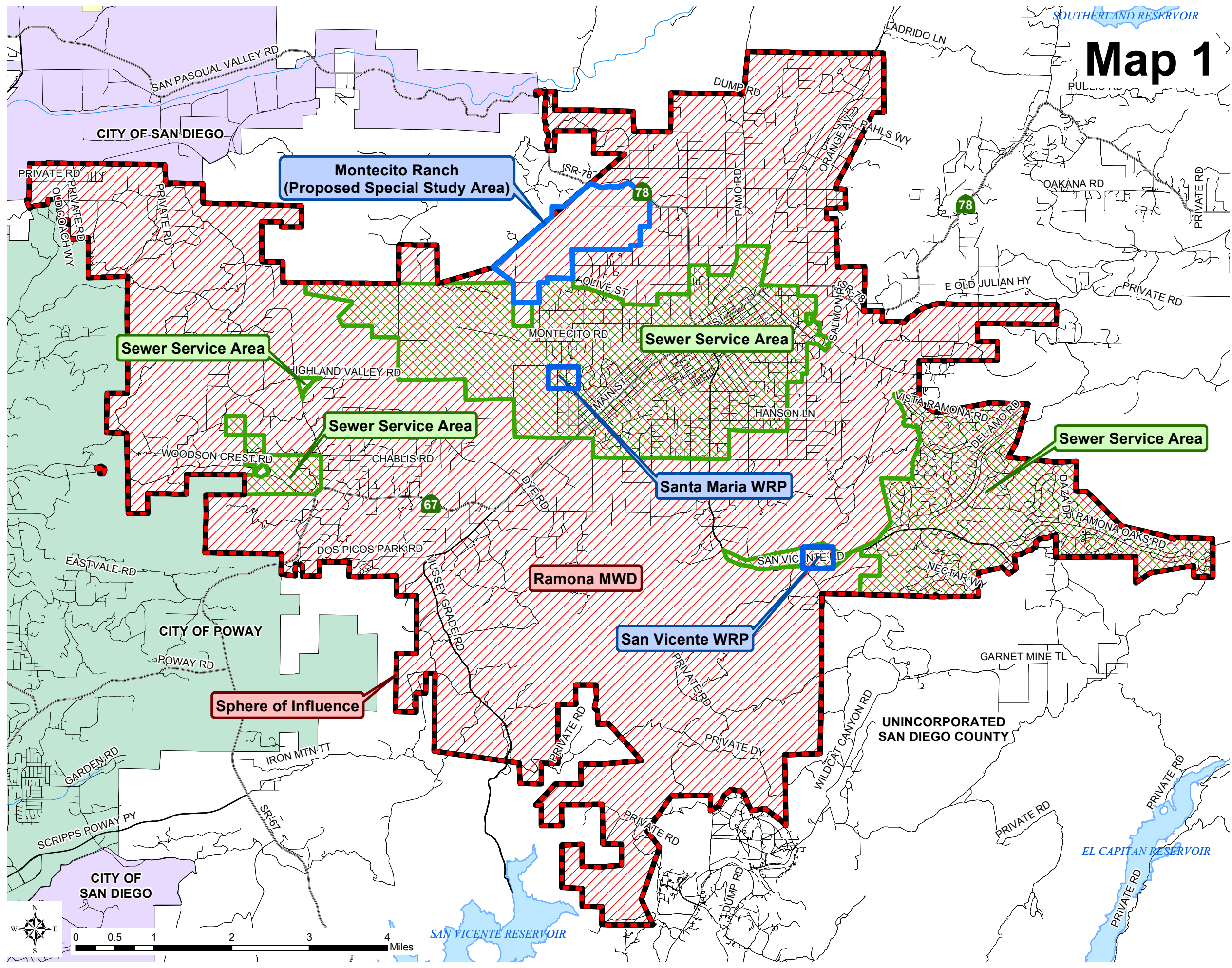
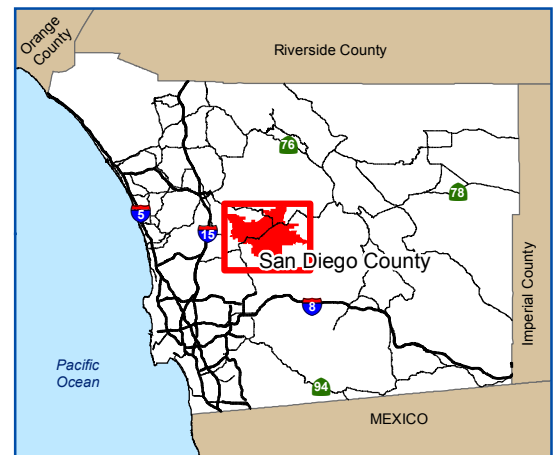
# Map 1

## Ramona MWD MSR/SR 13-30

**LEGEND**

-  Ramona MWD
-  Sphere of Influence (SOI)
-  Sewer Service Area

SOI Adopted: 4 / 4 / 83  
 SOI Affirmed: 5 / 7 / 07  
 SOI Affirmed: 8 / 6 / 07



SAN DIEGO **LAFCO**






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 Printed January 2014.

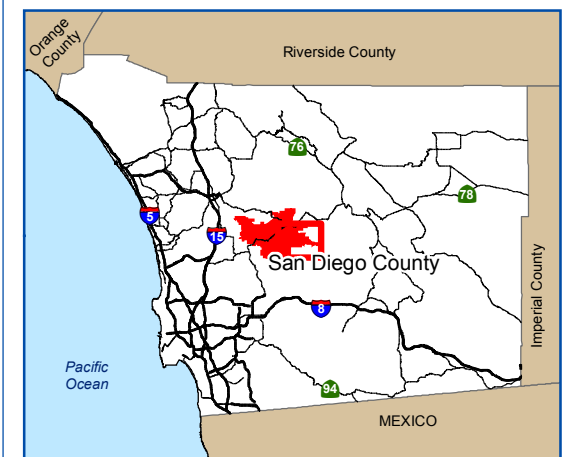
# Map 2

## Ramona MWD: San Diego Country Estates MSR/SR 13-30

### LEGEND

-  Ramona MWD
-  Sphere of Influence (SOI)
-  Sewer Service Area

SOI Adopted: 4 / 4 / 83  
 SOI Affirmed: 5 / 7 / 07  
 SOI Affirmed: 8 / 6 / 07



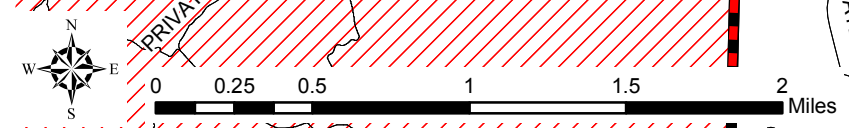
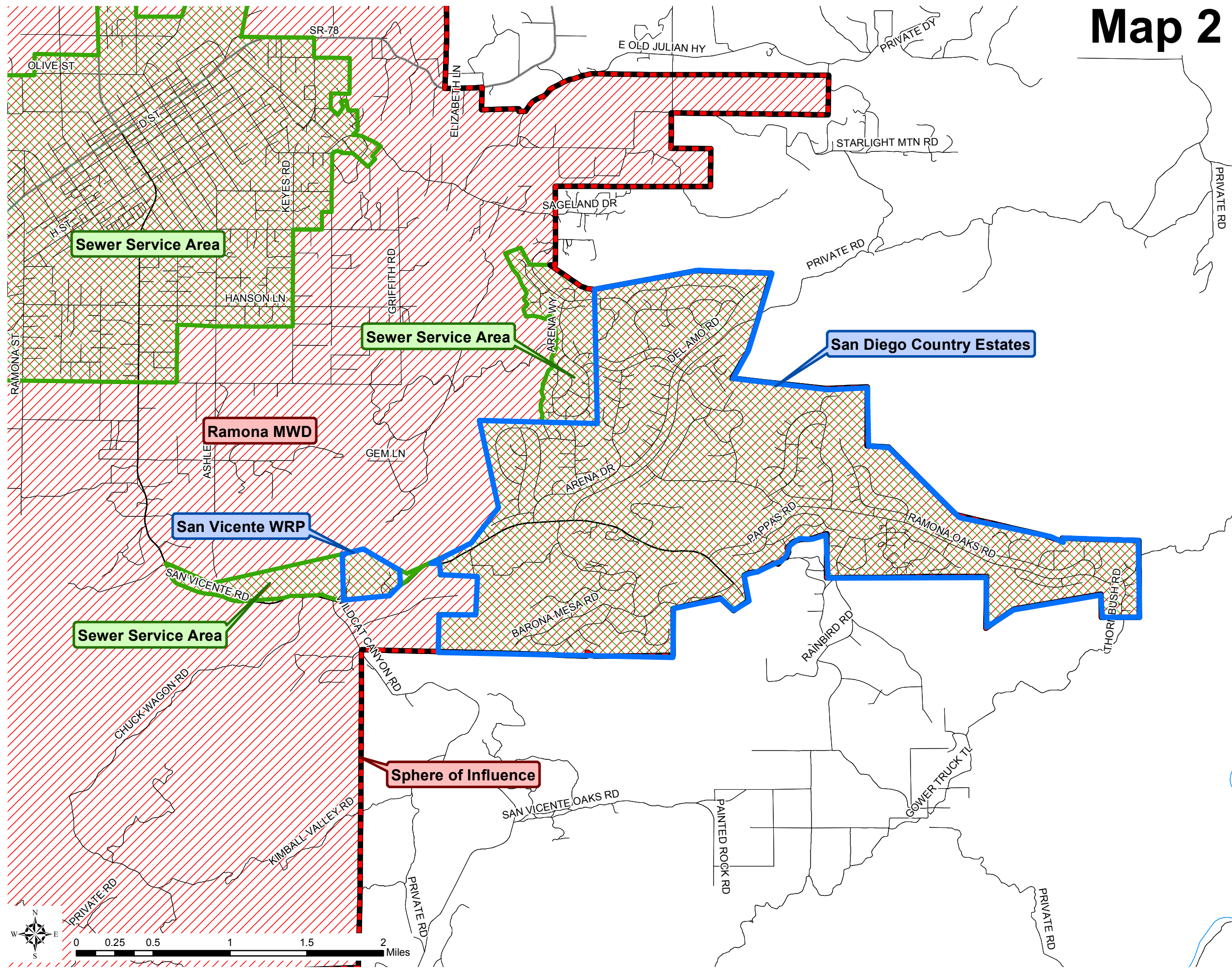
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 /13-30 MWD\_Ramona3.mxd  
 Printed January 2014.






# Map 3

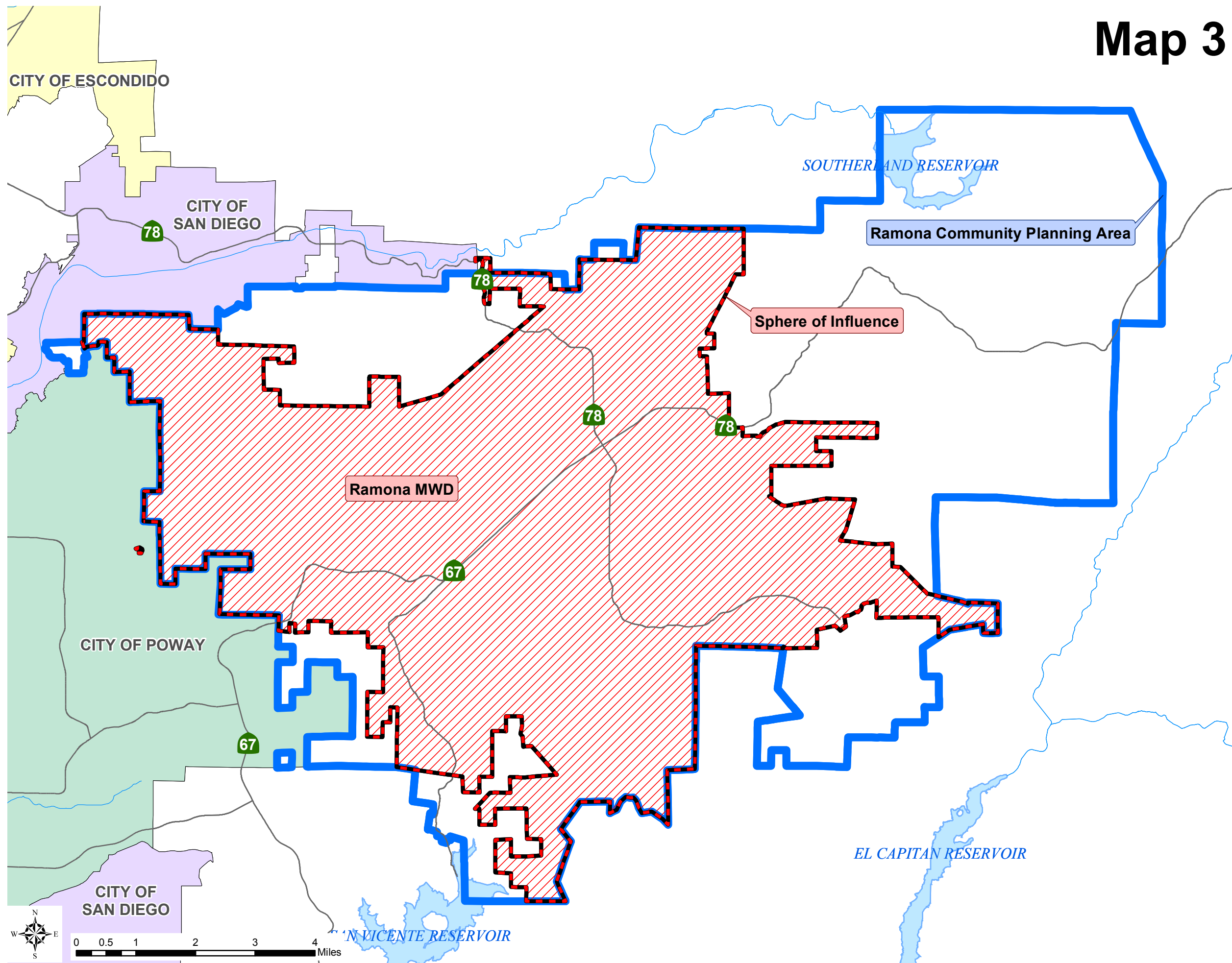
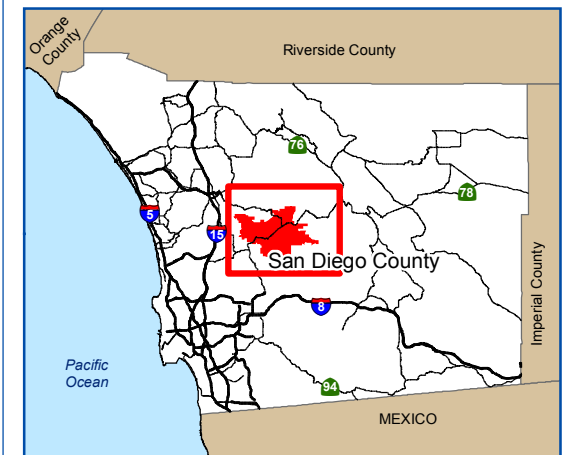
## Ramona MWD

MSR/SR 13-30

### LEGEND

-  Ramona MWD
-  Sphere of Influence (SOI)
-  Ramona Community Planning Area

SOI Adopted: 4 / 4 / 83  
SOI Affirmed: 5 / 7 / 07  
SOI Affirmed: 8 / 6 / 07



SAN DIEGO **LAFCO**



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Printed May 2014.

## **EXHIBITS 1 - 7**

**Five-Year Sphere of Influence and Municipal Service Review: Ramona Municipal Water District (Ref Nos: MSR13-30; SR13-30)**

- Exhibit 1 - Statement of SOI Determinations**
- Exhibit 2 - Statement of MSR Determinations**
- Exhibit 3 - List of Community Contacts and Interviews**
- Exhibit 4 - RMWD Response on Proposition 26 and 218**
- Exhibit 5 - Correspondence on Emergency Evacuation Route Proposal**
- Exhibit 6 - Newsletter by Ramona Chamber of Commerce**
- Exhibit 7 - Letter from Montecito Ranch LLC dated March 28, 2014**

**RECOMMENDED  
STATEMENT OF DETERMINATIONS  
FOR AFFIRMATION OF THE  
SPHERE OF INFLUENCE FOR THE RAMONA MUNICIPAL WATER DISTRICT  
SR13-30**

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for affirmation of the area shown on the attached map as the coterminous sphere of influence for the Ramona Municipal Water District (WD). On June 2, 2014, the Commission approved the *Five-Year Sphere of Influence and Service Review for the Ramona Municipal Water District*. A written statement specifying the functions or classes of services provided by the District and establishing the nature, location, and extent of the functions or classes of District services is on file with the San Diego Local Agency Formation Commission.

**(1) The present and planned land uses in the area, including agricultural and open space lands.**

Current land use within the 45,867 acre area (71.67 square miles area) of the Ramona MWD service area is primarily residential and agricultural. The County of San Diego has jurisdiction over land use and planning matters in the unincorporated area and all land use decisions concerning sphere territory would be guided by the County General Plan. Affirmation of the current sphere would not affect agricultural or open space lands.

**(2) The present and probable need for public facilities and services in the area.**

The Ramona MWD imports both treated and untreated water from the San Diego County Water Authority to provide potable and agricultural water service within the District. The District operates and maintains Lake Ramona with a capacity of 13,400 acre-feet of storage, potable reservoir tanks, owns a potable water treatment plant rated at 4 million gallons per day capacity (not currently operational) and a distribution system to provide water service to approximately 9,273 potable and 211 non-potable connections.

The District provides sewer service to two areas of the District through operations of two wastewater treatment plants and collection systems. The Santa Maria Water Reclamation Facility (WRF) is rated at 1 million gallons per day capacity with average treatment currently of .8 million gallons per day. Treated effluent is disposed of through two methods; sale of recycled water to the Mt. Woodson Golf Course averaging 184,000 gallons per day; and the balance disposed of on spray fields west of the treatment plant. The San Vicente Water Reclamation Facility serves the San Diego Country Estates area and is rated at .8 million gallons per day capacity with average treatment currently at .6 million gallons per day. Treated effluent is disposed of by sale to two recycled water users through a ten year sales agreement.

The District has adopted Water and Wastewater Master Plans from 1998. The District completed an alternative facility needs and cost study for the Santa Maria Sewer Service Area on January 14, 2014 and approved a new Sewer Capacity Charge. A study of the San Vicente Sewer Service Area and recycled water costs has been initiated and should be completed. These studies will need to address what new facilities are needed in order for compliance with existing permits and to consider any increased capacity to be approved by the San Diego Regional Water Control Board.

A Special Study Area designation covering the proposed Montecito Ranch development is proposed due to cost of service and facility issues to address service to the project. Unless these issues are satisfactorily resolved through discussions, the formation of a new sewer service agency may be pursued by the Montecito Ranch developer.

The District provides Fire/EMS services to the entire area of the District through a contract with CAL Fire since 1993. The District owns three fire stations staffed by CALAFire and also provides paramedic services. No new facilities are planned for in the foreseeable future.

The District provides Recreation and Park Services within the District boundaries in two specific locations: the 166 acre Ramona Community Park on Elm Street; and the Lake Ramona area lands leased from the Bureau of Land Management near Mt. Woodson and the City of Poway. The District contracts for the operation and maintenance of the Ramona Community Park with the Ramona Park and Recreation Association, a non-profit organization of local recreation organizations. The Lake Ramona site contains passive rural hiking trails and shoreline fishing is allowed from the lake.

**(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The Ramona MWD has experienced minimal growth over the past ten years but the County General Plan allows for growth over the next twenty years of up to 7,000 dwelling units, primarily in the Santa Maria and western areas of the District. Most of these areas will require potable water service but not sewer service. The District maintains that district water facilities are capable of meeting current and future demand. Through conservation measures and the increased cost of water, per capita usage of water is at a level meeting 2020 projected demands. The District is addressing needs for renovation of facilities and implementing an emergency power facility generator at the Poway Pump Station. These studies should be completed and adopted in order to plan for needed improvements.

**(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.**

Social and economic communities of interest are not relevant in considering affirmation of the Ramona MWD sphere of influence.

**(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

Refer to the *SB244 Local Agency Matrix*, approved by the Local Agency Formation Commission on March 4, 2013, for the status of disadvantaged unincorporated communities and the Ramona MWD.

**RECOMMENDED  
STATEMENT OF DETERMINATIONS  
MUNICIPAL SERVICE REVIEW  
RAMONA MUNICIPAL WATER DISTRICT  
MSR 13-30**

**Exhibit 2**

The following statement of determinations is prepared pursuant to section 56430 of the Government Code and fulfills LAFCO requirements regarding a sphere review and sphere affirmation for the Ramona Municipal Water District. A written statement specifying the functions or classes of services provided by the District and establishing the nature, location, and extent of the functions or classes of district services is on file with the San Diego Local Agency Formation Commission.

**(1) Growth and population projections for the affected area.**

Population estimates for build-out of the Ramona Municipal Water District have declined approximately three percent since the district sphere was affirmed in 2007. The district anticipates minimal growth within the next five years.

**(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the Ramona Municipal Water District.

**(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the Ramona Municipal Water District. The Ramona MWD provides water, Fire/EMS and recreational services to all residents as requested. Sewer service is only provided in approved designated areas and not in the disadvantaged unincorporated communities that are rural and have septic systems.

**(4) Financial ability of agencies to provide services.**

Property tax revenue funds approximately 15 percent of the Ramona Municipal Water District budgeted operations and projects; a voter-approved special assessment provides approximately 30 percent of the Fire/EMS operations. A majority of the balance of enterprise services are funded by fees and charges. The Ramona MWD should determine a long-term method of providing funding for needed facility replacement and rehabilitation including the water and sewer facilities. An updated study and establishment of capacity connection fees should be completed on a regular basis utilizing a current Master Plan for each system.

**(5) Status of, and opportunities for, shared facilities.**

The Ramona Municipal Water District participates in cooperative agreements for water conservation and for grants and employee training with the San Diego County Water Authority. An agreement with CAL Fire is ongoing to provide fire and paramedic/ambulance transport in the district service area since 1993. The Ramona Municipal Water District contracts with a non-profit organization for operation and maintenance of the 166 acre Ramona Community Park on district owned land. The



Ramona MWD should also work with current and potential customers to develop detailed and accurate cost figures and facility needs for expanding the use of reclaimed water.

**(6) Accountability for community service needs, including governmental structure and operational efficiencies.**

The Ramona Municipal Water District Board of Directors conducts regularly scheduled public meetings on the second and fourth Tuesday of each month. The District maintains a website with access to Board meeting agendas. Public feedback reflects an interest to have the District increase its public outreach on issues of concern on water supply, wastewater treatment, costs of services and wildland fire safety. The Board and management should place added emphasis on working with the voters and customers to improve visibility and communication wherever possible. Transparency and responsiveness should be a primary goal. The MWD should endeavor to increase visibility of scheduled meetings and increase the publicity of agendas and reports including links on the District webpage. The District should consider additional innovative programs such as designing and activating a phone and/or message and customer suggestion/complaint center. District elected officials and staff should also regularly attend Brown Act and Ethics training classes. The Ramona MWD should also continue to focus increased attention on ongoing training and reliability assessment of District facilities and operations, related to its Emergency Response Plan. The Plan should be updated and kept current as necessary by coordinating with other agencies on regional response plans, procedures, and resources. The status of one Director not attending scheduled Board of Directors' meetings should be addressed by the Board of Directors and any procedural or legal action available to the District should be initiated to obtain regular attendance and participation by the Director.

**(7) Any other matter related to effective or efficient service delivery, as required by commission policy.**

Additional matters related to effective or efficient service delivery as described in the MSR include the need for implement the comprehensive study of sewer service capacity and costs for the Santa Maria Sewer Service Area and address governance for the sewer service for the Montecito Ranch Project to address the County approved development plan; consider conducting a review of services for recreation opportunities at the Ramona Community Park and consultation between the Ramona MWD and County of San Diego Department of Parks and Recreation on potential cooperative programs; consideration of development of an updated Sewer Master Plan for the Santa Maria Sanitation Area and preparation of a Five-Year Capital Improvement Plan for Water, Sewer and Fire Facilities including cost of service studies as appropriate. The Ramona MWD has approved a Sewer Service Rate Study for the Santa Maria Sewer Service Area. Since the Ramona MWD has not presented an analysis of current and future sewer and recycled water costs or rates to LAFCO staff for the San Vicente Sewer Service Area as part of the MSR, the MWD should complete the recently initiated analyses and study to ensure that compliance with Propositions 26 and 218 have been achieved. The District should provide LAFCO with updates on progress on the facilities and cost of service studies as they are initiated and completed.

## List of Community Contacts and Interviews held as part of 2013

### The Ramona MWD Municipal Service Review

- A meeting with Supervisor Jacob and staff to understand issues of concern and community constituents who have previously contacted her office.
- Meeting with Mr. Ernest Garrett, Maggie Wolfe-Johnson and Chuck LeMenager regarding concerns on the San Vicente Wastewater Plant and use of recycled water for the golf course.
- Meeting with Mr. Mario Trejo, General Manager of the San Diego Country Estates and Mr. Doug Kafka, President of the San Diego Country Estates Board.
- Meeting with Mr. Jim Piva, Chair of the Ramona Community Planning Group, for input on Planning Group issues and subject of a proposed Emergency Evacuation Route since the 2007 Fire.
- Meeting with Mr. David Barnum, General Manager of the Ramona MWD and Mr. Darrell Beck, President of the Ramona MWD Board of Directors and Mr. Joe Zenovic, Vice-President of the Board of Directors. We discussed the issues raised at the June 3, 2013 hearing and various requested information.
- Provided a letter dated July 23, 2013 to David Barnum of the requested information as a result of the Public Hearing. Requested a response by August 23, 2013 or as soon as information is available. Response received August 26<sup>th</sup>.
- Conducted several telephone contacts with development representatives for input, including Mr. Bruce Tabb of Montecito Ranch, LLC; Mr. Carl Higgins, Ramona Air Center; and Mr. Gene Driscoll of The Cummings Ranch
- Mr. Mike Robinson, Deputy Director of Transportation, County of San Diego
- Ms. Carol Fowler, business woman and former President of Ramona Chamber of Commerce
- Mr. Bob Moore, President of Ramona Chamber of Commerce
- Mr. Don Kelly, Executive Director, UCAN
- Ms. Cindy Galloway, Office Manager, Ramona Park and Recreation Association
- Contacts at City of Poway, Olivenhain MWD, Otay MWD and Valley Center MWD for water and sewer rate information
- Reviewed San Diego LAFCO files regarding Water, Fire/EMS, Sewer service and recreation/parks service powers activation history.
- Completed a tour of District facilities with GM David Barnum, Water Manager John Brean and Wastewater Manager James Anderson on August 23, 2013
- Meeting with Mr. Gary Eaton, Director of Operations & Maintenance, San Diego County Water Authority, on October 29, 2013, regarding response by water agencies to the 2007 Witch Creek Wildland Fire

HE:12112013



## RAMONA MUNICIPAL WATER DISTRICT

GENERAL MANAGER'S OFFICE  
105 Earlam Street  
Ramona, CA 92065-1599

Telephone: 760-789-1330  
Facsimile: 760-788-2202  
Email: dbarnum@rmwd.org

**David Barnum**  
**General Manager**

August 20, 2013

San Diego Local Agency Formation Commission (LAFCO)  
Attn: Mr. Harry Ehrlich, SDA  
Local Government Consultant  
9335 Hazard Way, Suite 200  
San Diego, CA 92123

Dear Mr. Ehrlich:

In response to your letter dated July 24, 2013, please find the following discussion and requested information:

**1. Compliance with Propositions 26 and 218 and Government Code Section 66000**

In full compliance with Proposition 218 requirements, the Ramona Municipal Water District (RMWD) Board of Directors reviews, publically notices, holds the appropriate hearings and opines on adjustments in water and sewer rates annually. Copies of the RMWD Proposition 218 notices for the past five fiscal years are attached (Item 1.a.).

RMWD's most recent water rate study was completed and adopted by the RMWD Board of Directors in 2011. The water rate model is updated and reviewed annually. A copy of the water rate study report is attached (Item 1.b.).

The RMWD is currently conducting a sewer and rate study for the Santa Maria Sewer Service Area (SMSSA) and the San Vicente Recycled Water Program. In order to have the most current and accurate cost basis for a sewer rate and fee study for the SMSSA, the Board of Directors (Board) of the RMWD first authorized an updated Santa Maria Water Reclamation Plant Facilities Plan to review the most recent cost estimates. The updated Facilities Plan was reviewed with the RMWD Board in early 2013 and the revised costs estimated for construction was reduced by nearly 50%. A copy of the Santa Maria Water Reclamation Plant Facilities Plan is attached (Item 1.c.).

After the Facilities Plan was updated, RMWD issued a Request for Proposals in 2013 to conduct a sewer rate and fee study for the Santa Maria Sewer Service Area. At its August 13, 2013 meeting, the RMWD Board authorized a contract with Bartle Wells Associates to conduct the study. Copies of the RMWD Agenda Memos for the RFP and rate study contract award are attached (Item 1.d.).

2. Recycled Water

Per your request, attached is a schedule of recycled water deliveries to Spangler Peak and to San Diego Country Estates Association, for the past six fiscal years from July 2007 through June 2013 (Item 2.a.). Please note that the deliveries are in accordance with the current ten year three party recycled water agreement. You have previously requested and have been provided a copy of this agreement.

Also, at the August 13, 2013 meeting, the RMWD Board authorized a rate study for recycled water from the San Vicente Water Reclamation Plant. A copy of the RMWD Agenda Memo for the San Vicente Recycled Water Rate Study contract award is attached (Item 2.b.).

3. Emergency Response Plan

Please find attached a Fire Timeline for the activity between Monday October 22, 2007 and Monday October 29, 2007 (Item 3.a.). Please note that in 2007 RMWD was solely reliant on electricity to pump water approximately 1,000 feet "up the hill" to the Community of Ramona. Once the Witch Creek Fire of 2007 burned the SDGE wooden power poles and the RMWD Poway Pump Station lost electricity, there was no way to provide normal operational pumping. In addition, please note that once a "do not drink" order has been called, the RMWD does not have the authority to lift the order. That is the responsibility of the California Department of Public Health.

Since 2007 the RMWD has undertaken many steps to improve the agency's ability to respond to emergencies. A copy of an RMWD memo providing a partial list of accomplishments and initiatives to improve emergency preparedness is attached (Item 3.b.).

In addition, we have provided you our Comprehensive Emergency Response Plan (ERP) (Disk 1). The process was implemented and the document was created with the help of a third party firm specializing in public agency emergency response planning.

In order to fully address the issue of reliance on electricity for pumping water up to the Community of Ramona, the Ramona Municipal Water District commissioned a study to review alternatives to electricity as the sole power source for the Poway Pump Station (PPS) at the November 22, 2011 RMWD Board meeting. At the April 24, 2012 RMWD Board meeting, the Board of Directors authorized RMWD staff to investigate constructing a natural gas line to the PPS. Utilizing natural gas as a second source of power for the PPS would create a non-electricity reliant and redundant source of power for pumping water into Ramona. In addition, utilizing a combination of electricity and natural gas could be potentially more cost efficient and could reduce pumping costs. At the July 24, 2012 RMWD Board meeting, the Board of Directors authorized the General Manager to begin design, coordination and survey work for the PPS.

Finally, at the May 14, 2013 RMWD Board meeting the RMWD Board approved remaining funding for the project and purchase of the necessary gas engine equipment. Copies of the RMWD Agenda Memos for the PPS feasibility study, authorization for design and final project approval are attached (Item 3.c.).

The Poway Pump Station Natural Gas Project is scheduled to be completed in the first quarter of 2014 and will provide a second source of power that is more reliable and potentially cheaper than electricity.

LAFCO

Mr. Harry Ehrlich

Page 3 of 3

4. Cooperative Programs

Please find attached a December 11, 2012 RMWD Agenda Memo briefing the RMWD Board of Directors regarding staff discussions for a joint effort between the RMWD and the City of Poway to increase emergency storage and the possibility to purchase potable water from the City of Poway (Item 4.a.).

While there is interest at the staff level at both agencies, the City of Poway is undertaking some analysis of their facilities which will need to be completed prior to further investigating this concept. At this time, it is our understanding that the City of Poway does not wish to pursue a feasibility study; RMWD staff plans to revisit and hopefully be able to propose a study to formally investigate the concept in the future.

5. Negotiations

The Ramona Municipal Water District staff and Board of Directors have not received any complaints regarding long or complicated negotiations. Having checked with RMWD Engineering staff, neither Montecito Ranch nor Cummings Ranch currently have an open project with RMWD or have they contacted RMWD for several years. The RMWD is available and happy to meet with these developers or any property owners to discuss services provided by the RMWD.

In contrast, the RMWD has been in contact with representatives from the Ramona Air Center and we have received very favorable input for responsiveness and communication.

Finally, RMWD feels it has been very transparent and timely in the communications between the County of San Diego and the RMWD regarding the negotiations for access to the RMWD spray fields for a proposed emergency access route. In a separate email dated August 7, 2013 and attached to this response, I have forwarded several RMWD Board Agenda memos publically describing the County's request for use of RMWD owned property, the negotiation process, an approved County of San Diego Agenda Memo "authorizing the (County's) Chief Administrative Officer to negotiate and execute the ... (EER) Agreement" with RMWD and several follow up emails to the County of San Diego asking for a meeting with a RMWD Board authorized ad-hoc committee appointed to address this issue (Item 5.a.). We are still hopeful the County will coordinate a meeting to address the questions raised by the RMWD Board of Directors.

6. Core Responsibilities

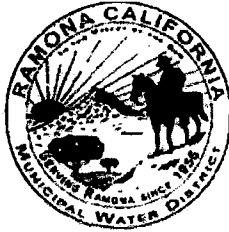
The Ramona Municipal Water District Board of Directors would be happy to hear any offer or concepts that would improve the services and amenities available to the residents of Ramona.

I hope this information is helpful and sufficient to address your questions. Please forward this correspondence to the LAFCO Commissioners for their review.

Thank you,



David Barnum  
General Manager

Attachment 2 – Letter to County Board of Supervisors

**RAMONA MUNICIPAL WATER DISTRICT**  
 105 Earham Street Phone: (760) 789 - 1330  
 Ramona, CA 92065-1599 Fax: (760) 788 - 2202

September 13, 2011

The Honorable Chair Bill Horn  
 and Supervisors Dianne Jacob, Pam Slater-Price, Greg Cox, and Ron Robert  
 335 County Administration Center  
 1600 Pacific Highway  
 San Diego, CA 92101

Re: Proposed Ramona Evacuation Route

Dear Supervisors:

The County of San Diego (County) has approached the Ramona Municipal Water District (RMWD) with the concept of using some of RMWD's property at the Santa Maria effluent disposal facility to accommodate a proposed Emergency Evacuation Route (EER). In good faith, both agencies have been meeting at the staff level. At a May 31, 2011 meeting, several talking points were identified:

- Potential redesign expense associated with the ongoing Evaporation Terrace Project,
- Environmental mitigation requirements for the Stevens' Kangaroo Rat (SKR),
- Potential loss of property relative to future effluent disposal requirements, and
- Agreements with The Nature Conservancy (TNC) regarding conservancy easements.

The meeting concluded with each agency agreeing to further investigate the possibility, and mitigation issues, relative to accommodating the proposed EER.

Ongoing District efforts have included further definition and review of potential EER alignments, as well as discussions with TNC regarding consent to the proposed EER. On August 23, 2011, District staff briefed the Board of Directors on recent EER evaluations and considerations. As a result of that briefing, the Board of Directors wishes to continue the discussions with the County for the proposed EER at the spray field site, with the intention of maintaining the property's primary purpose, building an effluent disposal facility, and also accommodating the EER, if possible.

Based on our identified project site constraints, the reasonable alignment for the proposed EER is along the northern property boundary. We have further defined the following talking points to facilitate our continued discussions relative to this alignment:

1. **San Diego Gas & Electric (SDG&E) Facilities.** SDG&E has existing utility poles and guy wires located along the northern property boundary. The design of the effluent disposal facility had anticipated building a secure fence as close as possible to the existing utility poles to maximize the amount of property available for the facility. With the addition of an EER between the utility poles and RMWD's secure fencing, the District will have to move the fence to accommodate the amount of area being requested by the County for an EER. RMWD feels the use of this corridor for the EER would be enhanced by undergrounding the existing SDG&E facilities. Undergrounding the facilities will provide better access, improve safety and potentially limit the amount of property that would be needed to accommodate the EER. We would request that the County take the lead with SDG&E and negotiate SDG&E's participation in establishment of the EER through relocation of the SDG&E utility poles and guy wires.

## Attachment 2 – Letter to County Board of Supervisors

2. **SKR Mitigation.** On July 26, 2011, a consultant working for the County completed a study indicating the presence of SKR on the spray field property, specifically along the northern property boundary. As a result, the District has designed its Evaporation Terrace Project to minimize impact to this protected species and its habitat. As the EER will be provided as a County-wide service, we would request that the County review the findings of the environmental documentation and participate in mitigation of area impacted by the EER.
3. **Effluent Disposal Area Requirements.** The District currently owns and operates effluent disposal facilities under lease agreement with the previous property owner on a portion of the subject site. The County acquired a portion of that property through eminent domain for a proposed runway extension project. The District would request that the County consider a land exchange for the proposed EER corridor, thereby continuing District access to the land currently used for effluent disposal at the west end of the runway. As an alternative, the County could provide a long-term license to the District for continued use of the land for effluent disposal through spray irrigation.
4. **EER Maintenance.** The District will construct a security fence along the north edge of its Effluent Terrace Project for security and safety considerations. Maintenance of the EER alignment will be required to assure evacuees have a clear travel route in an emergency situation. We would request that the County assume responsibility for maintenance of the EER alignment. It may also be reasonable for SDG&E to assume partial maintenance responsibility as they will likely require access to their facilities as well.

The District is optimistic and looking forward to continued discussions with the County regarding the proposed EER at the County's earliest convenience. Please feel free to contact the District's General Manager to schedule a meeting with the appropriate RMWD staff members to continue our discussions and facilitate the establishment of the proposed EER in a mutually beneficial manner.

Respectfully Submitted,

**RAMONA MUNICIPAL WATER DISTRICT  
BOARD OF DIRECTORS**

\_\_\_\_\_  
**Bryan Wadlington, President**

\_\_\_\_\_  
**Darrell Beck, Vice President**

\_\_\_\_\_  
**Everett "Red" Hager, Secretary**

\_\_\_\_\_  
**Joe Zenovic, Treasurer**

\_\_\_\_\_  
**Kit Kesinger, Director**



**DIANNE JACOB**  
SUPERVISOR, SECOND DISTRICT  
SAN DIEGO COUNTY BOARD OF SUPERVISORS

**AGENDA ITEM**

**DATE:** October 9, 2012

**19**

**TO:** Board of Supervisors

**SUBJECT:** PROVIDING AN ADDITIONAL EMERGENCY EVACUATION ROUTE IN  
RAMONA (DISTRICT: 2)

**SUMMARY:**

**Overview**

The County of San Diego has been working with the Ramona Community Planning Group, Ramona Municipal Water District and Calfire to plan for an alternative emergency evacuation route for the residents of Ramona.

The recommended actions will authorize the Chief Administrative Officer to negotiate and execute the Consent to Use of Land Agreement between the County of San Diego and the Ramona Municipal Water District to allow the use of a portion of Ramona Municipal Water District property as an emergency evacuation route.

**Recommendation(s)**

**SUPERVISOR JACOB**

1. Find that the approval of the Consent to Use of Land between the County of San Diego and the Ramona Municipal Water District is exempt from the California Environmental Quality Act (CEQA), in accordance with section 15304 of the CEQA Guidelines.
2. Authorize the Chief Administrative Officer or designee to negotiate an agreement between the County of San Diego and the Ramona Municipal Water District entitled "Consent to Use of Land" for use of a portion of Ramona Municipal Water District property as an emergency evacuation route. Authorize the Clerk of the Board of Supervisors to execute the agreement, subject to approval by County Counsel.
3. Authorize the Chief Administrative Officer to designate the appropriate County department to administer the agreement between the County of San Diego and the Ramona Municipal Water District.



**SUBJECT: PROVIDING AN ADDITIONAL EMERGENCY EVACUATION ROUTE IN  
RAMONA (DISTRICT: 2)**

**Fiscal Impact**

N/A

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

During the October 2007 fires the community of Ramona was evacuated, creating a public safety nightmare with gridlock on State Route 67. Based on the need to address this glaring problem, the County has been working with Ramona residents, CalFire, the Ramona Community Planning Group, the Ramona Municipal Water District (RMWD) and San Diego Gas & Electric (SDGE) to plan an evacuation route that can be utilized to safely move residents in an emergency. The Ramona Municipal Water District (RMWD) is willing to authorize the use of a 12 foot strip of land across RMWD's northern property boundary as a designated emergency evacuation route. RMWD prepared a draft agreement that would allow the County to direct the public to use this route during an emergency.

SDG&E has an easement on the strip of land that would be the emergency evacuation route, but has agreed to allow the use of its easement for this purpose. If needed, SDGE is willing to adjust the position of poles and guide wires adjacent to this area in order to provide a clear 12-foot emergency access route. SDGE has also agreed to install other protective measures, including reflectors, to ensure the safety of residents in an emergency.

This emergency evacuation route is 12 feet wide and approximately 2,600 feet long and could be used only during an emergency in the Ramona area.

I respectfully request your support of today's action which is critical to provide an emergency evacuation route for the people of Ramona.

Respectfully submitted,

DIANNE JACOB  
Supervisor, Second District

**ATTACHMENT(S)**

N/A

# RAMONA MUNICIPAL WATER DISTRICT AGENDA MEMO



Agenda Item No. F.1.  
Regular Board Meeting of October 23, 2012

Bryan Wadlington, President  
and Members of the Board of Directors  
Ramona, CA 92065

**RE: DISCUSSION AND POSSIBLE ACTION REGARDING BOARD DIRECTION IN  
FINALIZING NEGOTIATIONS WITH THE COUNTY OF SAN DIEGO FOR AN EMERGENCY  
EVACUATION ROUTE**

Members of the Board:

## **Purpose**

To seek direction from the Ramona Municipal Water District's Board of Directors on how the Board would like to finalize negotiations with the County of San Diego for the proposed Emergency Evacuation Route (EER).

## **Background**

The Ramona Municipal Water District (RMWD) has been working with the County of San Diego and members of the Community of Ramona to determine if the Ramona Municipal Water District could participate in a proposed evacuation route by providing access to property at the Santa Maria Spray Field. The property is under an Agreement with The Nature Conservancy and the primary purpose of the property will be for the anticipated Santa Maria Wastewater Treatment Plant expansion.

## **Discussion**

The last update the RMWD Board of Directors received on the EER was at the September 13, 2011 Board meeting (attachment 1). At the direction of the majority of the Board, President Wadlington and RMWD staff have meet with Supervisor Jacobs, County staff, SDG&E and members of the Ramona community to discuss the EER. A revised draft agreement was forwarded to RMWD in early October 2012.

In order to continue to finalize a draft agreement, Legal Counsel respectfully requests the Board provide direction on the following items:

1. **Insurance**: The original draft agreement called for the County to procure insurance or self-insure for (a) commercial general liability with minimum limits of \$5,000,000

per occurrence/ \$5,000,000 annual aggregate, (b) workers' compensation with minimum limits of \$1,000,000; and (c) automobile liability with minimum limits of \$1,000,000. The County has requested to utilize the self-insurance option. The County frequently utilizes self-insurance in lieu of third-party insurance and this represents a cost-savings to the County. Staff requests Board approval of the County's request.

2. Indemnity: The original draft agreement, Section 5.6, called for the County to indemnify RMWD in the event people are unable to use the route for emergency evacuation. The County proposes to delete this language. Staff does not recommend accepting the deletion of this language from Section 5.6. The County also requested the addition of language in Section 5.7 stating that its indemnity obligations do not apply to RMWD's willful misconduct or gross negligence, or in the event RMWD blocks or prevents use of the route for evacuation. Staff requests Board approval of the proposed additional language in Section 5.7, so long as the language in Section 5.6 is not deleted.

In addition, RMWD staff and Legal Counsel respectfully request the Board provide direction on how the Board would like to proceed in the negotiations with the County. The President of the Board has designated the Emergency Ad-Hoc (Wadlington and Beck) as the Ad-Hoc that should work with RMWD staff and Legal Counsel to prepare a draft agreement and provide the full Board of Directors a recommendation. The draft agreement would be brought back to the RMWD Board for public review, discussion and anticipated approval at a future meeting.

**Fiscal Impact**

Unknown at this time.

**Recommendation**

Staff respectfully recommends that the Emergency Ad-Hoc (Wadlington and Beck) continue to work with RMWD staff and Legal Counsel to prepare a draft agreement for public review and discussion and the Ad-Hoc provide the full Board of Directors a recommendation at a future meeting.

Submitted by: Brooke Miller, Legal Counsel

Submitted by: David Barnum, General Manager

**ATTACHMENTS:**

Attachment 1                      September 13, 2011 Agenda Memo and attachments                      F.1. Page 3-7

COPY



## RAMONA MUNICIPAL WATER DISTRICT

GENERAL MANAGER'S OFFICE  
105 Earlham Street  
Ramona, CA 92065-1599

Telephone: 760-789-1330  
Facsimile: 760-788-2202  
Email: [dbarnum@rmwd.org](mailto:dbarnum@rmwd.org)

**David P. Barnum**  
General Manager

December 13, 2012

Walter F. Ekard  
Chief Administrative Officer  
County Administration Center  
1600 Pacific Highway, Room 209  
San Diego, CA 92101

E-mail: [cao\\_mail@sdcounty.ca.gov](mailto:cao_mail@sdcounty.ca.gov)

**Re: Proposed Alternative to Use of Ramona Municipal Water District Property for  
Emergency Evacuation Route**

Dear Mr. Ekard:

On October 9, 2012, the County Board of Supervisors approved an action to authorize the Chief Administrative Officer or his designee to negotiate an agreement between the County and the Ramona Municipal Water District ("RMWD") entitled "Consent to Use of Land" for use of a portion of RMWD property as an emergency evacuation route. In addition, the Board of Supervisors authorized the Clerk of the Board of Supervisors to execute the agreement, subject to approval by County Counsel.

The Board of RMWD at its meeting of October 9, 2012, referred this issue to its Emergency Ad Hoc with direction to continue to work the RMWD staff and Legal Counsel to prepare a draft agreement for public review and discussion and to provide the full Board of Directors a recommendation at a future meeting.

RMWD's Emergency Ad Hoc met to discuss the proposed agreement. Due to concerns regarding the efficacy and safety of the route, the Ad Hoc directed this correspondence be drafted to propose an alternative to the proposed use of RMWD property. Specifically, the Ad Hoc proposes that, in lieu of the use of the property for the emergency evacuation route under an agreement with RMWD, that the County instead consider taking title to the portion of RMWD's property identified to be used for the route in exchange for granting RMWD title to the property currently owned by the County and used by RMWD for sprayfields purposes. Each area is generally identified on the attached vicinity map. Please advise whether the County is amenable to this alternative and the terms upon which this arrangement would be acceptable.

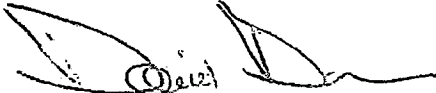
Regardless of whether this alternative is utilized or RMWD were to agree to the use of its property for the emergency evacuation route, RMWD will require that protective fencing be installed, at no cost to RMWD, to protect its sprayfields property as well as mitigate against potential safety hazards. The area

Walter F. Ekard  
December 13, 2012  
Page 2

in which fencing will be required is also shown on the attached vicinity map. Please advise whether the County is prepared to meet this requirement as a condition to use of the proposed route.

Should you wish to meet to discuss, please advise of your availability.

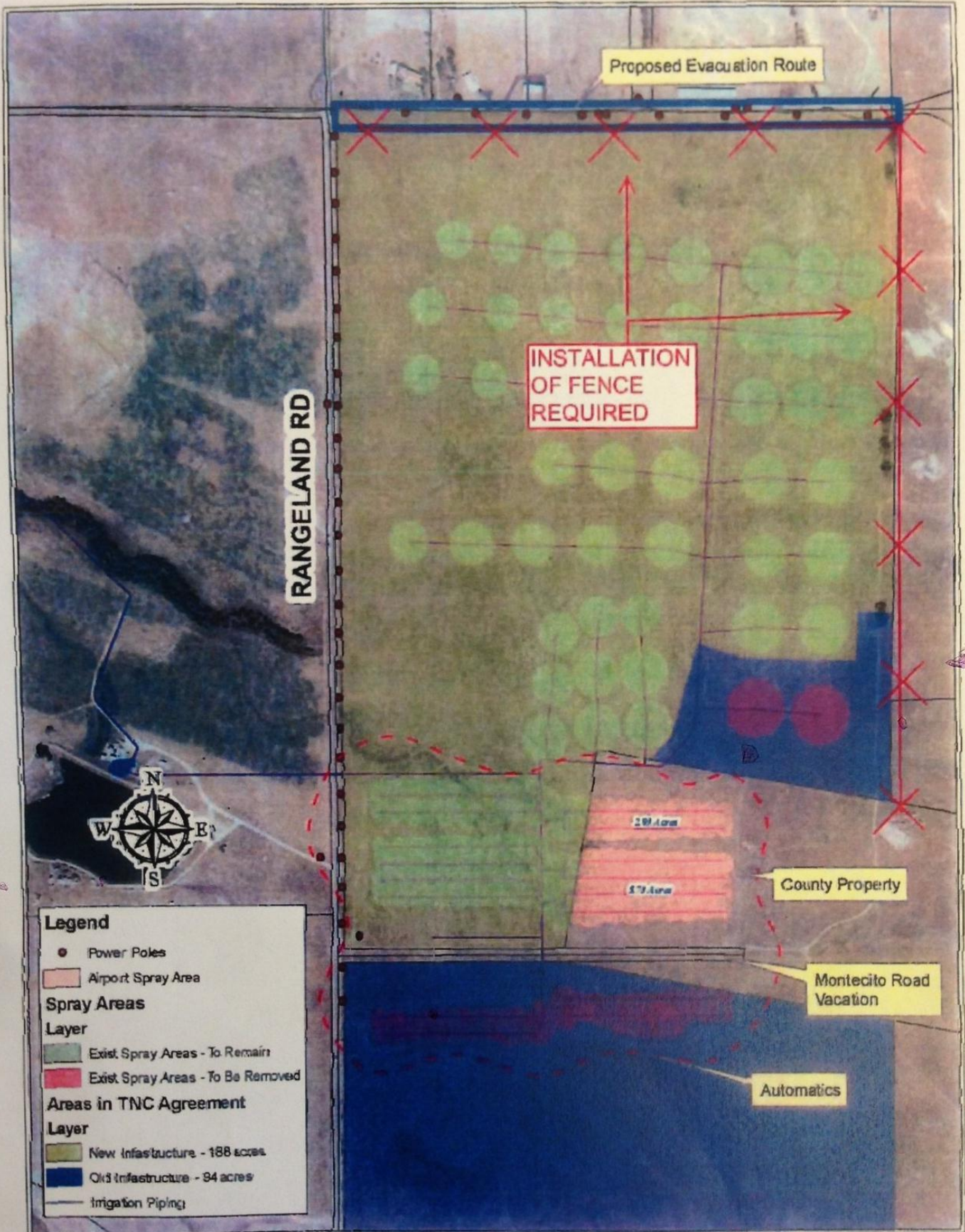
Sincerely,

A handwritten signature in black ink, appearing to read "David Barnum", with a circular stamp or mark below the name.

David Barnum  
General Manager

cc: Mark C. Mead, Senior Deputy, Office of County Counsel  
Enclosure

**Attachment 1 – Evacuation Route Vicinity Map**





## RAMONA MUNICIPAL WATER DISTRICT

GENERAL MANAGER'S OFFICE  
105 Earlham Street  
Ramona, CA 92065-1599

Telephone: 760-789-1330  
Facsimile: 760-788-2202  
EMail: dbarnum@rmwd.org

**David P. Barnum**  
**General Manager**

February 21, 2013

Helen N. Robbins-Meyer  
Chief Administrative Officer  
County Administration Center  
1600 Pacific Highway, Room 209  
San Diego, CA 92101

**Re: Follow up to Letter Sent December 13, 2012 Regarding Proposed Alternative to Use of Ramona Municipal Water District Property for Emergency Evacuation Route**

Dear Ms. Robbins-Meyer:

On December 13, 2012 we sent your predecessor, Mr. Ekard a letter with a proposed alternative to use of Ramona Municipal Water District property for an emergency evacuation route. As of this date we have not received a response to our inquiry. The following information was included in that letter:

On October 9, 2012, the County Board of Supervisors approved an action to authorize the Chief Administrative Officer or his designee to negotiate an agreement between the County and the Ramona Municipal Water District ("RMWD") entitled "Consent to Use of Land" for the use of a portion of RMWD property as an emergency evacuation route (attached). In addition, the Board of Supervisors authorized the Clerk of the Board of Supervisors to execute the agreement, subject to approval by County Counsel.

The Board of RMWD at its meeting of October 9, 2012, referred this issue to its Emergency Ad Hoc with direction to continue to work with the RMWD staff and Legal Counsel to prepare a draft agreement for public review and discussion and to provide the full Board of Directors a recommendation at a future meeting.

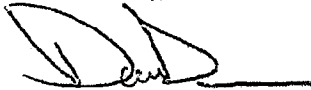
RMWD's Emergency Ad Hoc met to discuss the proposed agreement. Due to concerns regarding the efficacy and safety of the route, the Ad Hoc directed this correspondence be drafted to propose an alternative to the proposal to use of RMWD property. Specifically, the Ad Hoc proposes, in lieu of the use of the property for the emergency evacuation route under an

agreement with RMWD, the County instead taking title to the portion of RMWD's property identified to be used for the route in exchange for granting RMWD title to the property identified to be used by RMWD for sprayfield purposes. Each area is generally identified on the attached vicinity map. Please advise whether the County is amenable to this alternative and the terms upon which this arrangement would be acceptable.

Regardless of whether this alternative is utilized or RMWD were to agree to the use of its property for the emergency evacuation route, RMWD will require that protective fencing be installed, at no cost to RMWD, to protect its sprayfields property as well as mitigate against potential safety hazards. The area in which fencing will be required is also shown on the attached vicinity map. Please advise whether the County is prepared to meet this requirement as a condition to use of the proposed route.

Should you wish to meet to discuss, please advise of your availability.

Sincerely,

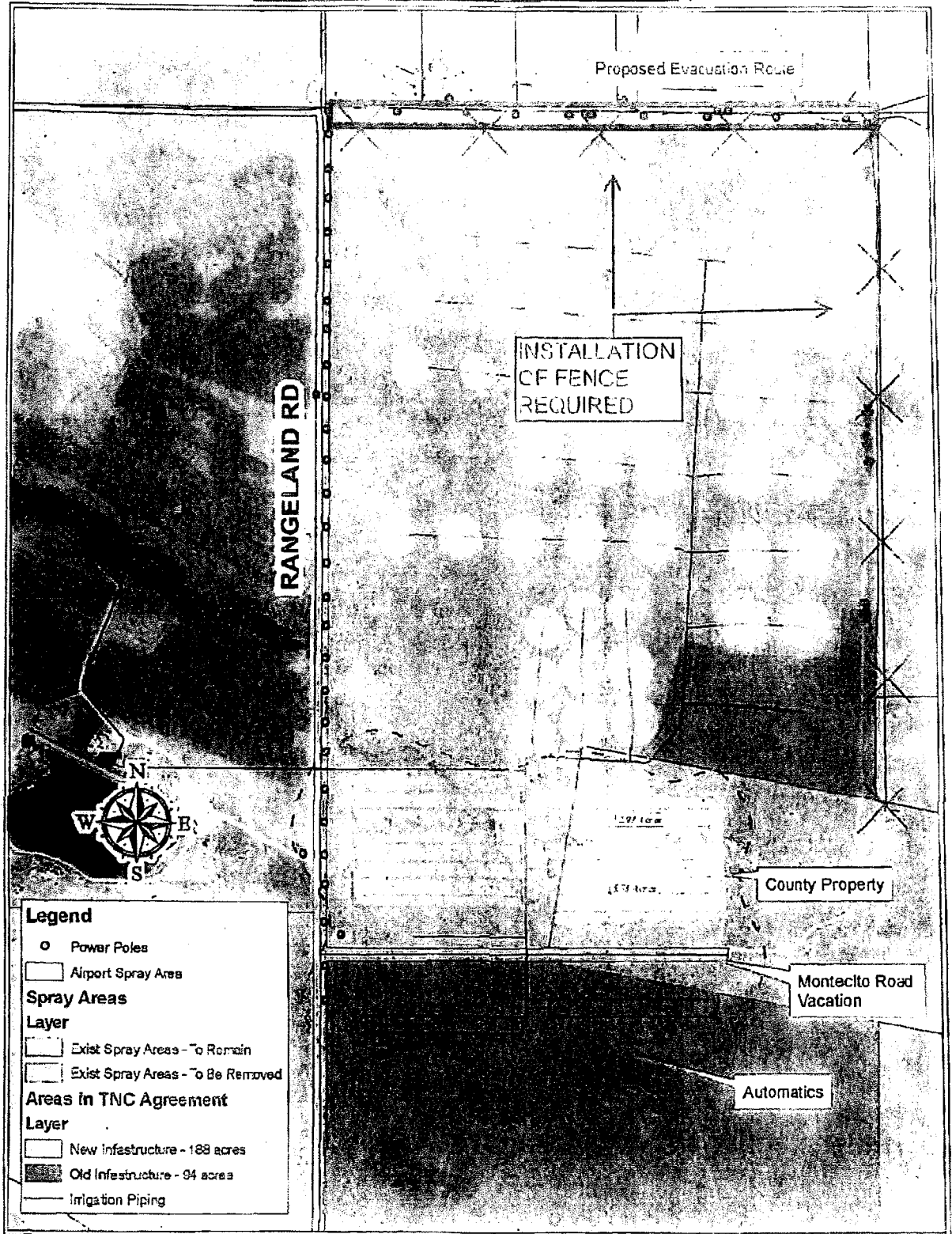
A handwritten signature in black ink, appearing to read 'David Barnum', with a horizontal line extending to the right.

David Barnum  
General Manager

cc: Mark C. Mead, Senior Deputy, Office of County Counsel  
Enclosure



Attachment 2 -- Evacuation Route Vicinity Map





# County of San Diego

LAND USE AND ENVIRONMENT GROUP

SARAH E. AGHASSI  
DEPUTY CHIEF ADMINISTRATIVE OFFICER

1600 PACIFIC HIGHWAY, ROOM 212, SAN DIEGO, CA 92101  
(619) 531-6256 • FAX (619) 531-5476

March 4, 2013

David Barnum, General Manager  
Ramona Municipal Water District  
105 Earlham Street  
Ramona, CA 92065

Dear Mr. Barnum:

Thank you for your letter dated December 13, 2012 to the County of San Diego (County) describing negotiations between the Ramona Municipal Water District (RMWD) and the County to develop an agreement between RMWD and the County for use of RMWD land as an Emergency Evacuation Route.

For the past two years, the County, RMWD, and Ramona Planning Group members have worked to develop the evacuation route. Last year all parties reached a verbal agreement on the evacuation route and began work on a formal agreement that would designate the 12 foot strip (the SDG&E easement) on the RMWD property for use by the community of Ramona in an emergency. The County had previously identified the remainder of the route on existing County land and believed that a formal agreement was imminent. If further discussion is needed, the County would like to meet again and complete the evacuation route agreement quickly.

In your letter, RMWD offers an alternative proposal that would have the County transfer in fee, a portion of Airport property that is owned by the County of San Diego for use as spray fields. In exchange for the transfer, RMWD offers the easement property for the evacuation route.

The County considers the spray field property and evacuation route easement to be separate issues and encourages RMWD to discuss and approve the evacuation easement as soon as possible. Negotiations regarding use of the spray field property could continue thereafter with the County in the context of the Airport and FAA grant requirements.

David Barnum,  
Ramona Municipal Water District  
March 4, 2013  
Page 2

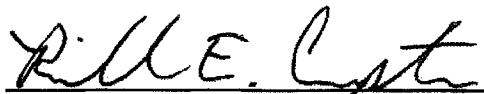
It is important to explain limitations of the existing (spray field) property purchased by the County for the Ramona Airport. The RMWD may already be aware that airport property is subject to significant regulation through FAA grant assurances. Any agreement, lease or transfer of the spray field property would be subject to FAA terms due to the property's proximity to the airport runway.

The County purchased the property in 1992 with money from the Airport Enterprise Fund which supports the County Airports System. The RMWD had the benefit of a three year agreement with the previous property owner to use this property for spray fields. That agreement ended in 1995 at the close of the term. The RMWD has no agreement with the County for use of the property. Any agreement for continued use of spray fields on County airport property would need to include mitigation for its possible effect as a bird attractant and the agreement would be subject to FAA approval.

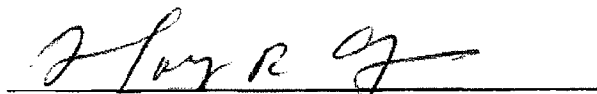
Finally, the RMWD has noted that a fence would need to be installed along the SDG&E easement to prevent persons from going into the spray fields. The County believes that a fence is not needed along this alignment because the property is proposed to be used only in an emergency and the County has agreed to indemnify RMWD in exchange for use of the evacuation route. In the event of an emergency, persons would still need guidance from law enforcement officials and would be directed to stay close to the SDG&E pole lines. This issue can also be partially addressed through coordination, education, and signage.

In summary, the County of San Diego is willing to work with the RMWD and meet with staff, or attend a meeting of the Board of Directors, to further discuss and explore these options.

If you have any questions or need additional information, please contact Michael Robinson, Deputy Director with the Department of Public Works, at (858) 694-3897 or via email at [michael.robinson@sdcounty.ca.gov](mailto:michael.robinson@sdcounty.ca.gov).



RICHARD E. CROMPTON  
Director, Department of Public Works



HOLLY CRAWFORD  
Director, Office of Emergency Services

cc: Herman Reddick, County Fire Authority; Brian Albright, Department of Parks and Recreation; Mark Wardlaw, Department of Planning and Development Services; Eric Lardy, Land Use and Environment Group; Royce Abalos, Public Safety Group



## RAMONA MUNICIPAL WATER DISTRICT

105 Earham Street  
Ramona, CA 92065-1599

Telephone: 760-789-1330  
Facsimile: 760-788-2202

March 26, 2013

Richard E. Crompton  
Holly Crawford  
1600 Pacific Highway, Room 212  
San Diego, CA 92101

Re: Ramona Municipal Water District Property for Emergency Evacuation Route

Mr. Crompton and Ms Crawford:

Thank you for your correspondence dated March 4, 2013 to the Ramona Municipal Water District regarding the ongoing negotiations between the RMWD and the County for use of RMWD property for an Emergency Evacuation Route.

As you are aware, on October 9, 2012, the County Board of Supervisors approved an action to authorize the Chief Administrative Officer or his designee to negotiate an agreement between the County and the Ramona Municipal Water District ("RMWD") entitled "Consent to Use of Land" for the use of a portion of RMWD property as an emergency evacuation route. In addition, the Board of Supervisors authorized the Clerk of the Board of Supervisors to execute the agreement, subject to approval by County Counsel.

The Board of RMWD at its meeting of October 9, 2012, referred this issue to its Emergency Ad Hoc with direction to continue to work with the RMWD staff and Legal Counsel to prepare a draft agreement for public review and discussion and to provide the full Board of Directors a recommendation at a future meeting.

RMWD's Emergency Ad Hoc has previously met to discuss the proposed agreement and due to concerns regarding the efficiency and safety of the route, the Ad Hoc directed correspondence be drafted to propose an alternative to the proposal to use of RMWD property. Specifically, the Ad Hoc has proposed, in lieu of the use of the property for the emergency evacuation route under an agreement with RMWD, the County instead take title to the portion of RMWD's property identified to be used for the route in exchange for granting RMWD title to the property identified to be used by RMWD for spray field purposes. In addition, RMWD would also require that protective fencing be installed, at no cost to RMWD, to protect its sprayfields property as well as mitigate against potential safety hazards.

**County of San Diego**

March 26, 2013

Page 2 of 3

On March 15, 2013 the new members (Beck and Schilhouse) of the RMWD Emergency Ad Hoc met, toured and discussed the proposed emergency evacuation route. The Ad Hoc has the following comments and concerns:

- The RMWD and the Ramona Fire Department have no authority to build, control or manage evacuation operations on the spray-field property or on the contiguous grasslands preserve.
- It has been brought to our attention that the Sheriff's Department has final authority and would conduct all evacuation procedures in Ramona.
- The Sheriff should be advised by County of this evacuation route so he can become familiar with the terrain and other complications associated with the proposed route and make evacuation plans accordingly.
- The Sheriff would be in charge of establishing a method of traffic control necessary to direct evacuees to this remote evacuation location.
- The Sheriff would need to have keys to access the grassland gate and have enough deputies to keep the evacuees on the narrow dirt trail leading through the grasslands so they don't drift off the trail where they may get lost or stranded, damage the preserve or frighten the eagles.
- When the evacuation expedition reaches the RMWD spray-field property (presuming the evacuation is taking place westerly) it will be the Sheriff's decision to either cut the fence and direct traffic down the existing graded private easement to Rangeland Road, or to direct traffic down the south side of the property line fence across a non-existent road to the fence at the west end of the spray-field, at which point the fence would need to be cut to let the traffic flow onto Rangeland Road.
- If the Sheriff decides to direct traffic on the RMWD spray-field property he will need enough deputies who are well aware of public safety to keep evacuees from drifting onto the open grassy areas where they could get their vehicles stuck in the marshy ground where they may become stranded, or where they could break a water cannon and disrupt the RMWD wastewater system. The deputies would also need to be aware of the presence of endangered species such as Kangaroo Rats, Fairy Shrimp and Burrowing Owls that exist on the grasslands and spray-fields that must be protected under penalty of law.
- The Sheriff would be responsible for making sure the cattle that graze on the spray-fields are not allowed to get out of the pasture when the fences are cut or removed for public access. If the evacuation takes place at night, lighting may be necessary to keep traffic flowing.
- Once the evacuees reach Rangeland Road more deputies and pre-planned traffic control will be needed to direct traffic down Highland Valley Road to the bottleneck at State Highway 67, to the bottleneck at Archie Moore and State 67, or down the old and dangerous Highland Valley Road to San Pasqual.
- RMWD would not challenge the Sheriff's authority to make use of this evacuation route if this proposal is approved by the authorities.

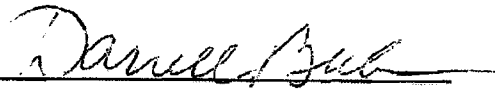
**County of San Diego**

March 26, 2013

Page 3 of 3

- To provide the County with additional insights into the RMWD Emergency Ad Hoc concerns, please also find attached a summary of the RMWD Emergency Ad Hoc Committee Meeting dated 2013-03-15.

The RMWD Emergency Ad Hoc Committee would respectfully request representatives from the County to meet with the RMWD Emergency Ad Hoc to discuss this evacuation route at a future mutually agreeable date. Please contact David Barnum, General Manager of RMWD at 760-788-2214, and propose dates and times.



Darrell Beck  
President, RMWD



Rex Schildhouse  
Treasurer, RMWD

*Ramona*  
Heart of San  
Diego County



SEPTEMBER 2013 • VOLUME 28 • NO. 9

## What's New at the Ramona Municipal Water District?

If you did not make it to the Country Fair this year, you certainly missed out on a lot of fun and entertainment. With the addition of new contests, live bands and entertainment, the Country Fair was one of the best we have sponsored. Thank you to all of our outstanding sponsors, Chamber Ambassadors and Directors, Jerry Van De Weghe, our Vendor Chair, Galaxy Productions for overseeing the music and



**Bob Murray**

Ramona Idol competition; but most of all Thanks to all who attended and supported this event. We have already started looking forward to next year.

The Chamber is often asked questions regarding concerns in our community that we may not have the answers to and it is our goal to address this concerns and get the answers when possible. There are a lot of questions regarding the Ramona Municipal Water District (RMWD), the Santa Maria Waste-

### *President's Message*

water Treatment Plant, the Poway Pump Station and other related issues. I recently had the pleasure of meeting with David Barnum, General Manager of RMWD regarding these concerns and want to pass along some of the information received at that meeting.

RMWD currently has three projects they feel will greatly improve the quality of life in Ramona. The first project is hardening their facilities with a natural gas line to the Poway Pump Station which will provide redundant pumping capabilities increasing Emergency Preparedness and can potentially reduce pumping costs. The natural gas line will provide an option to continue to pump water to Ramona in case of another power outage or fire. RMWD has determined that natural gas has been determined to be the best option for a backup power plan for the pump station as generators are costly. RMWD states they are still in the design phase but the project is "on schedule" and under budget.

The second is a revised, three

phase recycled water project. The district currently purchases treated, potable water from the San Diego County Water Authority, who purchases it from the Metropolitan Water District of Southern California who buys it from the state! Untreated water for agriculture use is purchased from the County Water Authority and stored in Lake Ramona. There are two treatment plants, San Vicente Treatment Plant and the Santa Maria Plant. Expansion of the San Vicente Plant Reverse Osmosis System would potentially create more recycled water and reduce brine hauling as much as possible. The first phase of the plan is to create a second source of potable water. Second is to use recycled water and "left over water" for indirect potable reuse for the community. Results are to be increased available recycled water and potentially reduce costs. And finally, phase 3 is to identify opportunities to potentially reduce costs of pumping through generation of electricity. As with any major project, the completion of these three phases will take many years but the

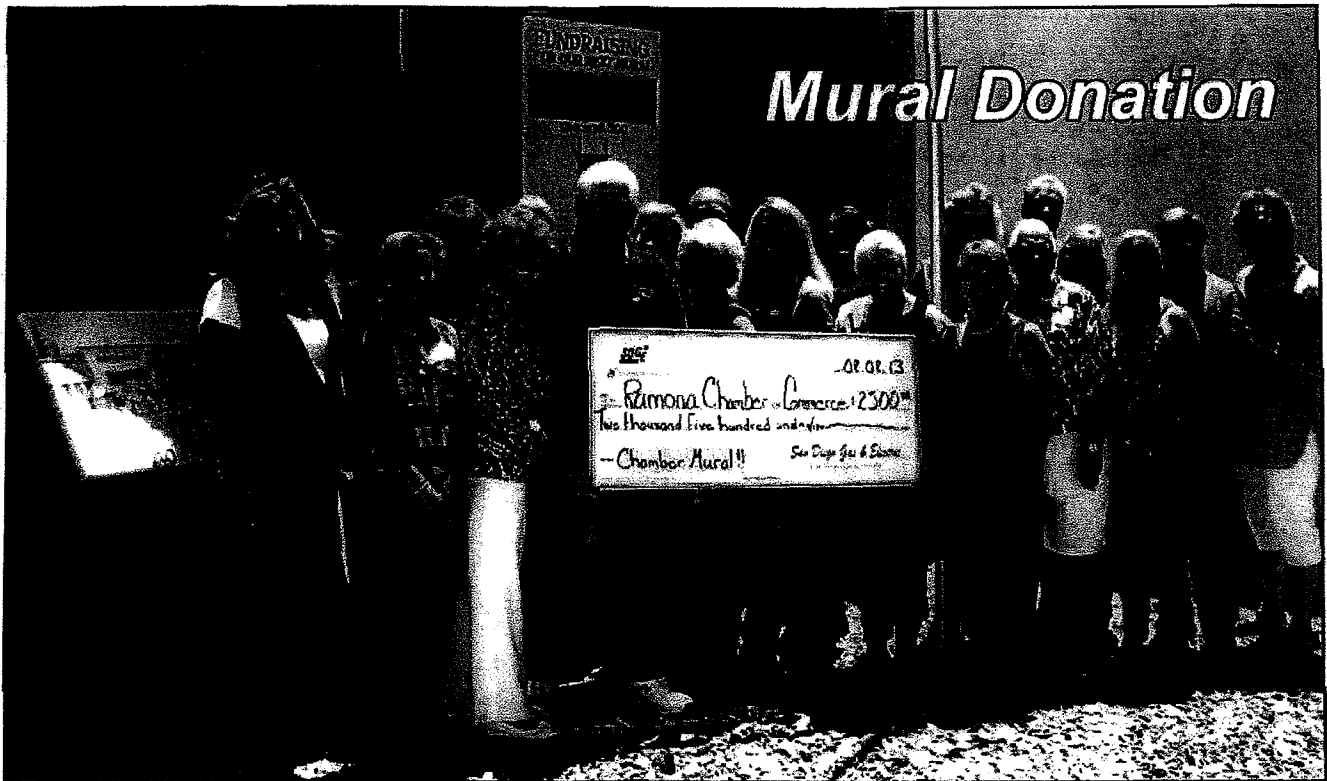
See MESSAGE page 7

### MISSION STATEMENT

*The mission of the Ramona Chamber of Commerce is to develop and maintain a climate for viable economic growth, to promote loyalty to and networking for local businesses, and to demonstrate an outstanding leadership role in our community.*

Scan the code for one-touch directions to the Chamber, one-touch click to call and to follow us on Facebook!





Sentinel photo/Maureen Robertson

Juanita Hayes, fifth from left, public affairs manager for SDG&E, presents an oversized check for \$2,500 to Ramona Chamber of Commerce for the chamber's mural, planned for the east wall of 677 Main St., the building that previously housed Ramona Pharmacy and is now home to Affordable Treasures

## MESSAGE

RMWD has made a start.

A third project for RMWD is a revised Capital Improvement Plan for the Santa Maria Sewer Plant which must be upgraded to provide economical service. The Facility Plan developed by the Board of Directors from RMWD bought down future anticipated building costs at the plant by 50%. An additional rate study based on the reduced costs of the Plan could bring down sewer connection fees in the future.

The RMWD continues to work towards reducing costs to the consumer. Water sales are down by 50% and their workforce has been reduced by 33%. RMWD has successfully applied for and received nearly \$400,000 in grants for ambulance, recycled water projects, the Community Center and planning requirements. They have worked with the same budget for the past five years continuing to maintain service levels and proceed

with new plans to help.

The Board of Directors and staff at Ramona Municipal Water District continue to work hard for the quality of life in the Ramona community and feel their efforts will provide positive results for the future of Ramona.

For further information regarding this article please contact the Ramona Municipal Water District at 125 2nd Street, Ramona, CA 92065 or by phone (760) 789-1330.

## RENEWING MEMBERS

Ramona Senior Center	1983	South West Landscape	2002
Susan D. Homesley, O.D.	1988	Barona Valley Ranch Resort & Casino	2004
Ramona Unified School District	1989	San Diego Country Estates Timeshare	2005
Christiansen Amusements	1989	Sky Valley Network	2007
Business Network Exchange	1991	Yeagley Vineyards	2008
Jim Haworth Plumbing Service	1992	Richardson Recycling	2008
Torpin Screen Company	1993	Ramona Tree Trust	2009
Wilson Glass	1997	Suburban Glass	2011
NuLite, Inc	1997	Toothacre & Associates, APC	2011
Kiwanis Club of Ramona	2000	The Blinds Spot & Regal Floors	2012



# Montecito Ranch

7

Exhibit 7

RECEIVED

APR 07 2014

SAN DIEGO LAFCO

March 28, 2014

Mr. Mike Ott  
Executive Director  
LAFCO  
9335 Hazard Way, Suite 200  
San Diego, CA 92123

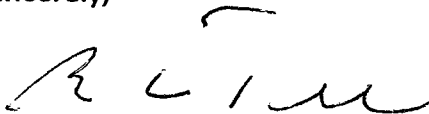
Dear Mr. Ott:

As you know, I have been dealing with the Ramona Municipal Water District for more than ten years now. While past administrations at the District were dysfunctional and impossible to work with, I am happy to say that that is no longer the case.

The current management and staff at RMWD is professional, straightforward and honest. Although I don't always get the answer I want, at least now I am able to get an answer. Most importantly, I have been able to work with the District in a reasonable and creative manner to explore alternatives and options that work for everyone.

Please feel free to call me if you have any questions or would like to discuss this further.

Sincerely,



Bruce E. Tabb

cc: LAFCO Officers  
David Barnum  
Michael Metts

BET/lgm