

September 9, 2013

TO: Local Agency Formation Commission
FROM: Executive Officer
Assistant Executive Officer
SUBJECT: Five-Year Sphere of Influence and Service Review:
MSR13-41; SR13-41 San Diego County Water Authority
MSR13-42; SR13-42 Metropolitan Water District of
Southern California

EXECUTIVE SUMMARY

The attached report and recommendations concern spheres of influence for the San Diego County Water Authority (SDCWA) and the Metropolitan Water District of Southern California (MET). SDCWA and MET spheres are being evaluated as part of a comprehensive *Sphere of Influence and Service Review*, which is required by State Law and San Diego LAFCO Policy and will sequentially address all local agency spheres in San Diego County. The current SDCWA sphere is coterminous with spheres of 23 SDCWA member agencies. The sphere for the San Diego County portion of the multi-county MET is coterminous with the SDCWA sphere. The report concludes with recommendations to affirm the spheres for both agencies.

Sphere of Influence Background

Over thirty years ago, the State Legislature instructed LAFCOs to establish a sphere of influence for each local governmental agency under LAFCO jurisdiction. Spheres—which are defined in State Law as...*a plan for the probable physical boundaries and service areas 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—but

not a guarantee—of annexation; spheres are only one of several factors that must be considered in reviewing proposals for jurisdictional changes.

San Diego LAFCO maintains spheres of long standing for each special district and city in San Diego County; nevertheless, every sphere must be periodically reevaluated to ensure that it reflects current conditions and remains a credible planning tool. In 1990, San Diego LAFCO adopted Policy L-109, which coupled with adopted implementing procedures, requires spheres to be revisited at five-year intervals. And 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)]. San Diego LAFCO 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 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.

Since your Commission initiated its 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 Actions and Municipal Service Reviews*.

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, was initiated by sending a service-specific questionnaire to each of the 100 local agencies under San Diego LAFCO's jurisdiction. Every agency responded. The information submitted is being reviewed and recommendations for affirmation, minor adjustment, or comprehensive update will be presented to the Commission as groups of agency reviews are completed.

2013 FIVE-YEAR SPHERE OF INFLUENCE AND SERVICE REVIEW

Metropolitan Water District of Southern California and San Diego County Water Authority

The Metropolitan Water District of Southern California (MET) is a collective of public agencies that supply imported water to 19 million residents in Southern California. Metropolitan member-agencies in six counties purchase imported water from MET for resale in Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego Counties. The San Diego County Water Authority (SDCWA), as a MET member-agency, is the single largest purchaser of imported Metropolitan water. SDCWA, which is also a collective of public retail agencies, resells MET water to 24 member agencies in San Diego County for retail distribution. SDCWA's reliance on MET supplies has sharply declined in recent years; however, approximately 45 percent of the water sold to SDCWA member-agencies continues to flow through the MET-SDCWA supply chain.

▪ **LAFCO purview over SDCWA and MET**

San Diego LAFCO has limited purview over SDCWA and MET. Oversight for changes to the wholesalers' boundaries is shared by LAFCO, SDCWA, and MET. State Law assigns discretionary authority to approve proposed jurisdictional changes to LAFCO. LAFCO is also responsible for completing final boundary change filings with the State, County, and affected local jurisdictions. When SDCWA and MET boundaries are involved, the Commission retains discretionary approval authority; however, per Government Code Sections 56036.5(a)(5) and 56036.6(a)(10), responsibility for conducting protest proceedings and completing final filings transfers from LAFCO to SDCWA and MET.

Changes to SDCWA and MET boundaries are typically proposed in coordination with proposed changes to the boundaries of SDCWA member-agency retailers. Local retailers may resell SDCWA water **only** within the boundary of SDCWA; consequently, the boundaries of local retailers must mirror the boundary of SDCWA. The SDCWA boundary must also harmonize with the boundary of MET within San Diego County. To ensure agreement among SDCWA, MET, and local retailer boundaries, proposed changes to local retailers boundary requires LAFCO, SDCWA, MET, and the local retailer to adopt conditional approvals that depend upon terms and conditions of the other organizations being satisfied before approvals are finalized. The complexity of processing this circular path of conditional and final approvals is increased by the division of responsibility among LAFCO, MET, SDCWA, and local retail agencies.

Understandably, the organizations must carefully coordinate their processes to advance final approvals.

- **SDCWA and MET spheres-of-influence**

San Diego LAFCO approved spheres of Influence for SDCWA and MET in 2005. The SDCWA sphere is coterminous with the spheres of 23 SDCWA member-agencies under LAFCO purview. Camp Pendleton, which is also a SDCWA member-agency, is a Federal jurisdiction that is not under LAFCO oversight and does not have a sphere-of-influence. Nine SDCWA member-agencies have spheres that are *coterminous* with their district boundary; nine have spheres with limited *larger-than-district* areas; and four have limited *smaller-than district* spheres. The SDCWA sphere—which is coterminous with the spheres of SDCWA member agencies—is therefore, *generally coterminous* with the SDCWA boundary, but has *limited larger and smaller sphere areas* to mirror the spheres of member agencies. The approved sphere for the San Diego County portion of the six-county MET is coterminous with the SDCWA sphere. The Commission affirmed the SDCWA and MET spheres in 2007.

Commission Policy L-102 (Exhibit A, attached) stipulates that SDCWA and MET spheres will be administratively amended or updated in concert with approved changes to spheres of SDCWA’s member-agencies. Administratively adjusting the SDCWA and MET spheres to maintain concurrence with spheres of the local San Diego retailers expedites the local boundary change process. The alternative approach—to initiate and process separate amendments for SDCWA and MET spheres each time a member-agency sphere is changed—would complicate an already complex process and further delay approvals. The SDCWA and MET spheres have been administratively adjusted 19 times since the 2005 adoption of Policy L-102. For a recap of relevant sphere of influence activity, see Exhibit B, attached.

1. Metropolitan Water District of Southern California MSR13-42; SR13-42

Service:	Import, storage, and distribution of wholesale water
Authority:	Metropolitan Water District Act (Statutes 1969: Water Code Appendix, Chapter 209 as amended)
Abstract:	The Metropolitan Water District of Southern California (MET) was established in 1928 by Special Act of the California Legislature. The District’s original function was to construct and operate a 242-mile Colorado River Aqueduct and transport Colorado River water from Lake Havasu on the California-Arizona border to a MET reservoir in Riverside County. Construction began in 1933 and the first imported water arrived in Southern California in 1941.

In 1960, California voters approved funding for the State Water Project (SWP) and construction of the 444-mile California Aqueduct. The SWP is owned by the State and operated by the California Department of Water Resources. The California Aqueduct transports Bay-Delta water southward to Central and Southern California and terminates at Lake Perris in Riverside County where it joins the MET system. Almost half of the SWP supply is allocated to MET through contracts with the State Department of Water Resources.

Numerous sources credit MET with being the largest supplier of treated water in the United States. As regional wholesaler, MET supplies on average, 1.7 billion gallons of water per day to 26 public agencies in Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego Counties. In fiscal year 2011/12, Metropolitan sold more than 1.54 million acre feet of water; less than two percent was used for agriculture; 12 percent was diverted to storage programs including conjunctive use, replenishment and water management programs, and the Soboba of Luiseño Indians Settlement Act. The remaining 86 percent was resold by retail agencies for industrial, commercial, and residential uses.

MET member-agencies include: 14 cities (Anaheim, Beverly Hills, Burbank, Compton, Fullerton, Glendale, Long Beach, Los Angeles, Pasadena, San Marino, Santa Ana, San Fernando, Santa Monica, and Torrance); 11 municipal water districts (Central Basin, West Basin, Inland Empire, Three Valleys, Eastern, Orange County, Foothill, Western, Calleguas, Las Virgenes, and Upper San Gabriel; and the San Diego County Water Authority (SDCWA). SDCWA—also a collective of water purveyors in San Diego County—is the largest single purchaser of MET water.

MET owns and operates an expansive range of capital facilities including the Colorado River Aqueduct and its five pumping plants; 16 hydroelectric facilities; nine reservoirs; and five water treatment plants—four of which are among the largest treatment plants in the world.

Governance: Met is governed by a 37-member appointed Board of Directors. Each of the 26 MET member-agencies—14 cities, 11 municipal water districts (MWD), and SDCWA—is entitled to appoint one director; additional director seats are allocated according to

assessed valuation within the member-agency. The Central Basin and West Basin MWDs each have two directors; and the City of Los Angeles, MWD of Orange County, and SDCWA have four directors apiece. Current SDCWA representatives to MET include an appointee from the Carlsbad MWD; one from the Santa Fe Irrigation District; and two from the City of San Diego.

The Metropolitan Board typically meets on the second Tuesday of each month. Board and Board Committee meetings are open to the public and are broadcast on the Internet through the Metropolitan website: www.mwdh2o.com.

Service area: In 1941, when the first imported water reached a member-agency, the MET service area covered approximately 625 square miles. The current Metropolitan service area includes approximately 5,200 square miles and extends from the City of Oxnard in Ventura County to the United States/Mexico International Border.

Some of the expansion occurred as additional member-agencies joined the wholesaler; however, the primary cause of the approximate 830 percent growth came from expansion within individual MET member agencies. SDCWA, for example, joined MET in 1947 as a limited consortium of five cities and four special districts but grew to a regional agency with 24 member-agencies and a retail service area of 1,480 square miles.

Population: Approximately 19 million residents in six Southern California counties; approximately 3.1 million within the San Diego region.

Sphere: San Diego LAFCO approved a sphere of influence for MET in 2005. The MET sphere is confined to the San Diego County portion of the six-county agency and is coterminous with the sphere for SDCWA. The MET sphere is administratively adjusted in coordination with changes to the SDCWA sphere.

The MET sphere was affirmed in August 2007.

Sphere status: Since the 2007 affirmation, the MET sphere has been amendment three times. In accordance with LAFCO Policy L-102, each amendment resulted from a parallel amendment to the SDCWA sphere. One of the three sphere amendments facilitated coordinated annexations to the Lakeside Water District, SDCWA, and MET (see Exhibit A attached: Lakeside Water District May 5, 2008; SA08-05).

No new information that would warrant a sphere change outside of Policy L-102 has been presented and responses to the *Sphere of Influence and Service Review* indicate MET concurrence with a recommendation to affirm the current MET sphere.

Recommendation: It is recommended that the sphere of influence for the Metropolitan Water District of Southern California be affirmed as coterminous with the sphere of influence of the San Diego County Water Authority.

2. San Diego County Water Authority MSR13-41; SR13-41

Services: Regional wholesale water;

Authority: County Water Authority Act (Statutes 1943: Water Code Appendix, Chapter 45)

Abstract: The San Diego County Water Authority (SDCWA) is a water wholesaler that purchases and imports water from various sources for resale to 24 retail members. The State Legislature created SDCWA in 1944 to administer the region's Colorado River water rights and to operate pipelines that would connect Diego County to the MET-owned Colorado River Aqueduct.

SDCWA joined MET in 1946 and Colorado River water arrived in San Diego County in November 1947 via a 71-mile pipeline from the MET aqueduct in Riverside County. Initially, SDCWA partnered with the U.S. Department of the Navy and the U.S. Department of Interior, Bureau of Reclamation for pipeline projects; however, after a second joint-project pipeline was completed in 1952 SDCWA independently constructed three additional pipelines. The five large-diameter pipelines transport Colorado River water and Northern California water from the State Water Project to the San Diego Region. The original SDCWA membership of five cities and four special districts has increased to 24 agencies

SDCWA is pursuing strategies of diversification to improve reliability of water supplies in the San Diego region. By 2020, transfer of conserved agricultural water from the Imperial Irrigation District, seawater desalination, recycled water, and conservation programs are expected to diminish SDCWA's reliance on MET-supplied water to 30 percent of SDCWAs total supply.

Service area:	1,485 square miles covering the incorporated and unincorporated territory within the approximate westerly one-third of San Diego County
Population:	Approximately 3.1 million urban and rural customers
Governance:	SDCWA is governed by a 36-member appointed Board of Directors; a member of the San Diego County Board of Supervisors serves as non-voting representative. At least one representative from each of the 24 member-agencies serves on the SDCWA Board. Voting entitlement is based on the member agency's... <i>total financial contribution</i> ...to the Authority. As of January 1, 2013, approximately 40 percent of voting entitlement is reserved for the City of San Diego; the next highest entitlement is approximately seven percent. Regular meeting of the SDCWA Board of Directors are held monthly on the fourth Thursday. Meeting agendas are available at the SDCWA website: www.sdcwa.org
Sphere:	A sphere was approved for SDCWA in 2005. The SDCWA sphere is coterminous with the spheres of 23 SDCWA local agency members. ¹ Nine member-agencies have <i>coterminous</i> spheres; nine have spheres with limited <i>larger-than-district</i> areas; and four have limited <i>smaller-than district</i> spheres (see Table 1).

Table 1

SDCWA member-agency	member-agency sphere
1. Carlsbad Municipal Water District	Coterminous
2. Fallbrook Public Utility District	Coterminous
3. Helix Water (Irrigation) District	Coterminous
4. Lakeside (Irrigation) Water District	Larger-than-district
5. Olivenhain Municipal Water District	Larger-than-district
6. Otay Municipal Water District	Larger-than-district
7. Padre Dam Municipal Water District	Larger-than-district
8. Rainbow Municipal Water District	Smaller-than-district
9. Ramona Municipal Water District	Coterminous
10. Rincon del Diablo Municipal Water District	Larger-than-district
11. San Dieguito (Irrigation) Water District	Smaller-than-district

¹ Camp Pendleton, the twenty-fourth SDCWA member, does not have a sphere of influence because it is a Federal—not local—agency and is not under LAFCO purview.

Table 1 (continued)

SDCWA member-agency	SDCWA member-agency
12. Santa Fe Irrigation District	Smaller-than-district
13. South Bay Irrigation District	Larger-than-district
14. Vallecitos Water District	Larger-than-district
15. Valley Center Municipal Water District	Larger-than-district
16. Vista Irrigation District	Smaller-than-district
17. Yuima Municipal Water District	Coterminous
18. City of Del Mar	Coterminous
19. City of Escondido	Larger-than-city
20. City of National City	Larger-than-city
21. City of Oceanside	Coterminous
22. City of Poway	Larger-than-city
23. City of San Diego	Coterminous
24. Camp Pendleton	NO SPHERE

Accordingly, the SDCWA sphere is *generally coterminous* with the SDCWA boundary with limited *larger-than and smaller-than* sphere areas to mirror the *larger-than* or *smaller-than* spheres of member agencies. The SDCWA sphere is administratively amended or updated according to LAFCO Policy L-102 to coordinate with changes to the spheres of SDCWA member-agencies.

The SDCWA sphere was affirmed in August 2007.

Sphere status: Since the 2007 affirmation, the SDCWA sphere has been amended three times. In accordance with LAFCO Policy L-102, each amended resulted from a parallel amendment to the sphere of a SDCWA member-agency. One of the three sphere amendments facilitated coordinated annexations to the Lakeside Water District, SDCWA, and MET (see Exhibit A attached: Lakeside Water District May 5, 2008; SA08-05). No new information that would warrant a sphere change outside of Policy L-102 has been presented and responses to the *2012 Sphere of Influence and Service Review* indicate SDCWA concurrence with a recommendation to affirm the current SDCWA sphere.

Recommendation: It is recommended that the sphere of influence for the San Diego County Water Authority be affirmed as

coterminous with the spheres of influence of 23 SDCWA member agencies.

CONCLUSION AND RECOMMENDATIONS

Approval of staff recommendations to affirm the spheres of the Metropolitan Water District of Southern California and the San Diego County Water Authority reviewed in the foregoing report is part of a comprehensive sphere review program that will sequentially review and affirm, minimally adjust, or update all spheres in San Diego County.

Affirmation of existing spheres bring these agencies into compliance with State Law [Government Code § 56425(g)] and San Diego LAFCO Policy L-102, which require review of all spheres at five-year intervals. It is therefore,

RECOMMENDED: That your Commission

- (1) Find in accordance with the Executive Officer's determination that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, sphere 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.
- (2) Find in accordance with the Executive Officer's determination that pursuant to Section 15306 of the State CEQA Guidelines, the service review is not subject to the environmental impact evaluation process because the service review consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource. This project is strictly for information gathering purposes as part of a study leading to an action which has not yet been approved, adopted, or funded.
- (3) For the reasons set forth in the *2013 Five-Year Sphere of Influence and Service Review*, accept the written statements in the aforementioned report establishing the nature, location, and extent of functions and classes of services per Government Code Section 56425(i) and affirm existing spheres for the Metropolitan Water District of Southern California and the San Diego County Water Authority.
- (4) Adopt the written Statement of Determinations as shown in Exhibit C.

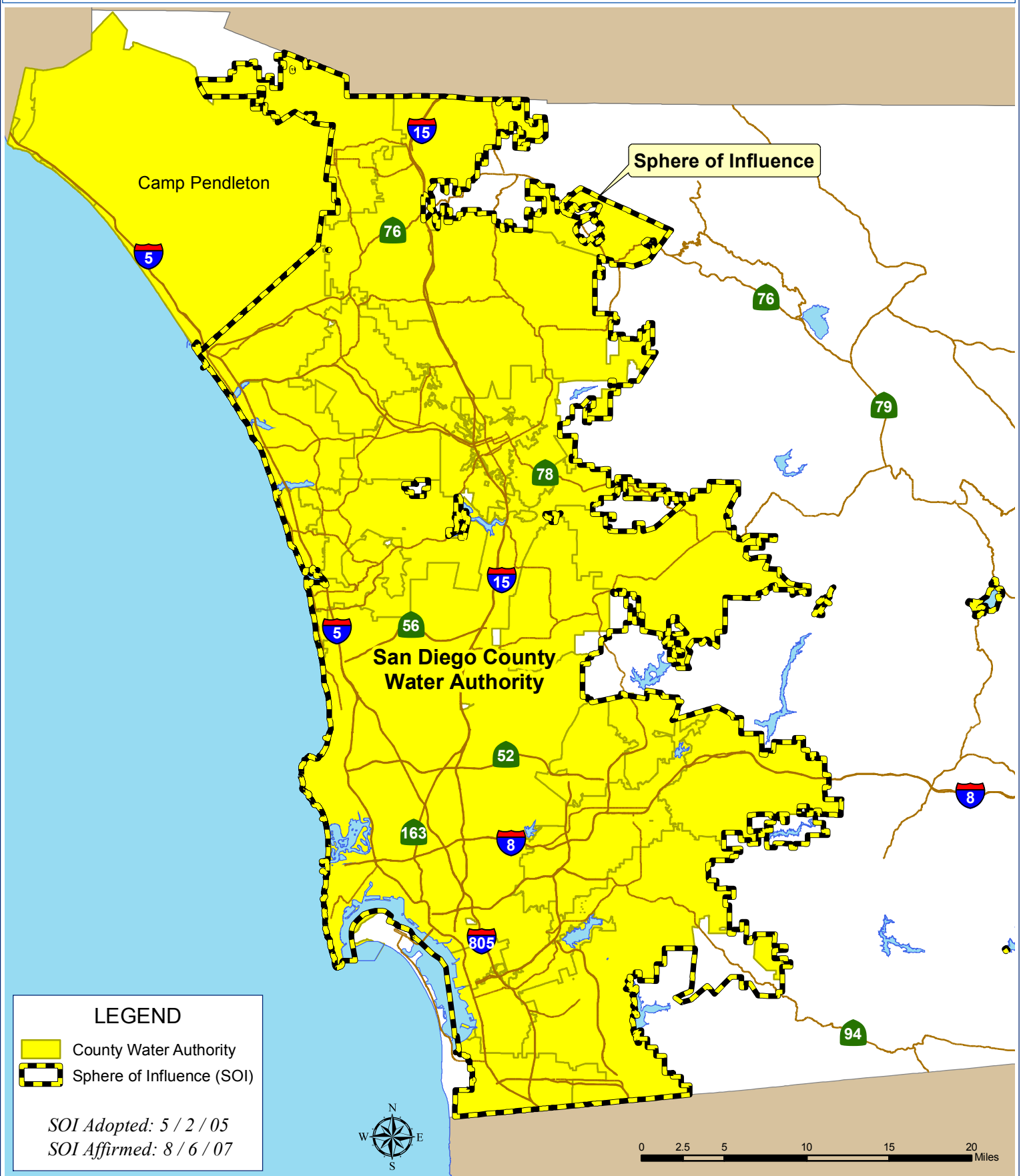
Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

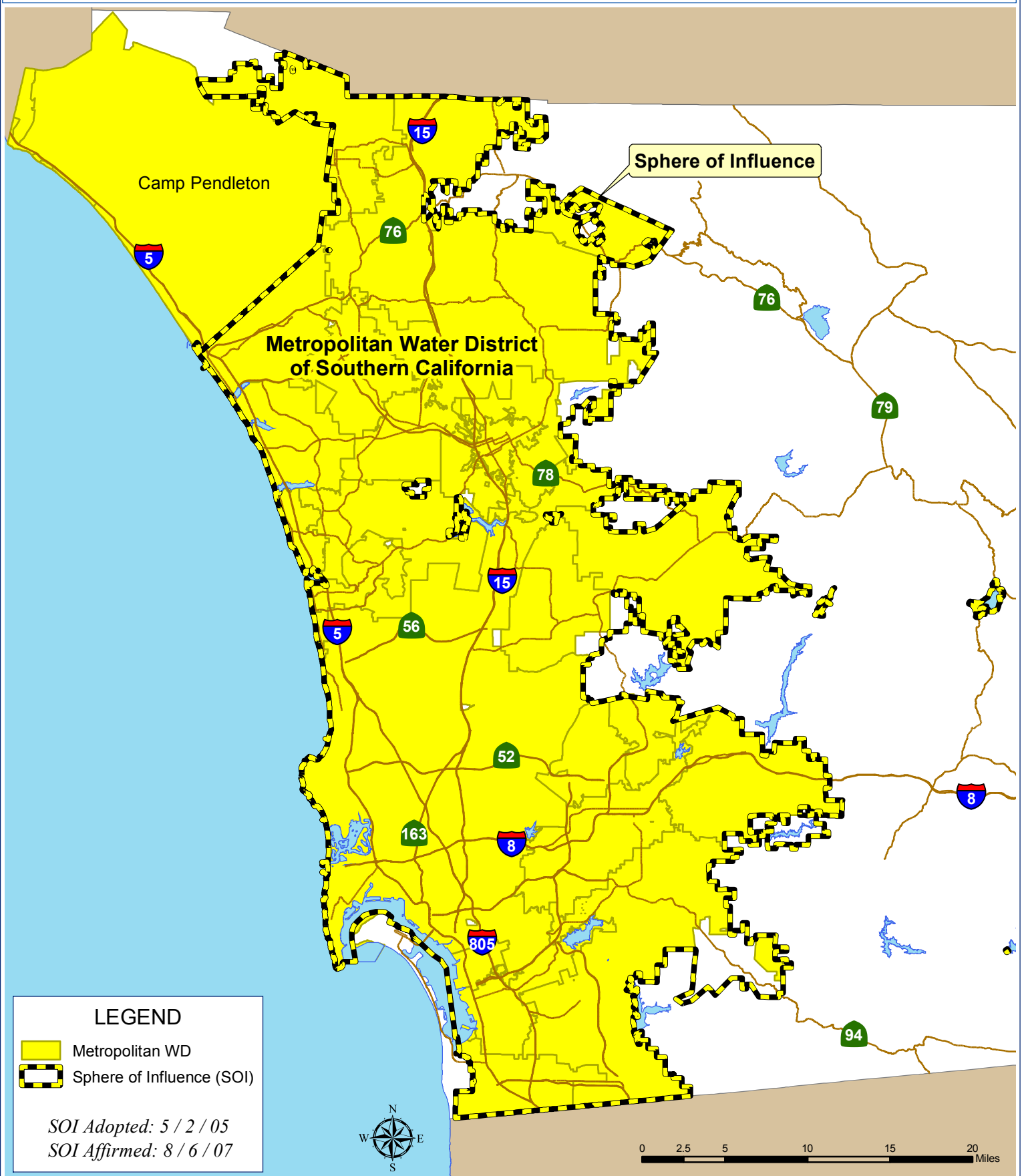
SHIRLEY ANDERSON
Asst. Executive Officer

MDO:SA:ra

Attachments: Vicinity Maps
 Exhibit A: San Diego Policy L-102
 Exhibit B: Spheres of Influence Activity
 Exhibit C: Statements of Determination



Metropolitan Water District of Southern California MSR/SR 13-42



Subject

SPHERES OF INFLUENCE OF CITIES AND SPECIAL DISTRICTS

Purpose

To establish the manner in which the San Diego Local Agency Formation Commission establishes and updates spheres of influence.

Background

In 1972, the State Legislature directed LAFCOs to adopt a sphere of influence for each local governmental agency. Spheres are to be developed in cooperation with each agency to represent . . . *the probable physical boundaries and service area of a local agency as determined by the Commission*. . . (Government Code § 56076). Spheres of influence provide guidance for the expansion and organization of local agencies; however, designation of a sphere does not *entitle* future annexation or require that areas within a sphere be annexed.

Since enactment of AB 2838 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), State law directs LAFCOs to periodically review and update spheres of influence in concert with conducting Municipal Service Reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth; accordingly, spheres must be based upon a comprehensive analysis of all relevant factors and they must be up-to-date. To ensure comprehensive updates, city spheres are reviewed in conjunction with the spheres of affected special districts and a determination is made regarding whether a city or an adjacent special district should provide future services to unincorporated areas. Special districts are also subject to sphere adoption/update provisions.

Policy

It is the policy of the San Diego Local Agency Formation Commission to:

1. Designate spheres of influence in close cooperation with affected local agencies and communities;
 - a. Utilize spheres of influence to: Guide deliberations on specific changes of organization;

- b. Discourage potential duplication of services by two or more local governmental agencies;
 - c. Determine the need for specific governmental reorganization studies;
 - d. Preserve community identities and boundaries;
 - e. Encourage political and functional reorganization of local agencies which cross-cut communities;
 - f. Encourage annexation of territory that has been specified as available for urban development prior to annexation of other areas; and
 - g. Encourage the extension of urban services to existing urban areas prior to extending services to areas that are not devoted to urban uses.
- 2. Encourage cities, which are adjacent to unincorporated territory, to reconcile incompatible general plan land use elements with the County of San Diego;
 - 3. Review city spheres of influence and special district spheres at approximately five-year intervals;
 - 4. Discourage major amendments to a city or special district sphere if the sphere has been updated or affirmed within the prior five year period except for the following conditions:
 - a. Public health or safety needs; for example, amending a jurisdiction's sphere to permit annexation of a parcel that requires public sewer service because of a failed septic system;
 - b. Property under a single ownership that is split by a sphere boundary if the split property shares characteristics including access, geography, communities of interest and the manner in which services will be provided;
 - c. A reorganization involving two or more jurisdictions if the sphere of influence boundaries are coterminous and each jurisdiction agrees to the sphere amendments and reorganization;

- d. If a city or special district can provide adequate documentation showing that conditions have significantly changed to warrant a sphere amendment.
5. Conduct sphere of influence evaluations and updates prior to the five-year interval if an affected jurisdiction or interested party submits a request based on adequate justification and the appropriate processing fee;
6. Maintain a sphere of influence for the San Diego County Water Authority, which is coterminous with the spheres of influence for SDCWA member-agencies, by amending or updating the SDCWA sphere concurrent with each amendment or update to spheres of member agencies; and
7. Maintain a sphere of influence for the area of Metropolitan Water District of Southern California (MET) in San Diego County, which is coterminous with the sphere of influence for SDCWA, by amending or updating the MET sphere concurrent with each amendment or update to the SDCWA sphere; and
8. Facilitate communication with affected public agencies, communities, property owners and residents concerning the sphere of influence update process.

Adopted: August 6, 1990

Amended: May 4, 1998

Amended: June 5, 2000

Technical Update: May 2, 2005

Technical Update: August 25, 2008

Cross-reference:

SAN DIEGO LAFCO POLICY:

- A-101 SAN DIEGO ASSOCIATION OF GOVERNMENTS AND THE REGIONAL GROWTH MANAGEMENT STRATEGY
- L-104 LAFCO-INITIATED CHANGES OF ORGANIZATION

SAN DIEGO LAFCO PROCEDURES:

- SPHERES OF INFLUENCE
- LAFCO-INITIATED PROPOSALS

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A SPHERE OF INFLUENCE
FOR THE SAN DIEGO COUNTY WATER AUTHORITY
SR13-41**

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 sphere of influence for the San Diego County Water Authority. A written description establishing the nature, location, and extent of the functions or classes of district services was accepted by the San Diego Local Agency Formation Commission as part of the Sphere and Service Review (MSR 13-41 and SR 13-41).

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

The San Diego County Water Authority is a regional wholesale water provider with a 1,480-square mile service area in San Diego County. The County and cities have jurisdiction over land use and planning matters in their areas and all land use decisions within the sphere territory is guided by County and City General Plans. SDCWA policy prohibits annexation of territory unless the area is also within a member retail agency. Affirmation of a sphere of influence will not affect agricultural and open space land uses.

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

The service area of MET covers 1,480 square miles with a population of approximately 3.1 million. The population, which has increased substantially over the preceding 20 years, is anticipated to grow and the District has developed long range plans to address the need for additional water supply and facilities in the future.

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

The San Diego County Water Authority has transportation and storage facilities to provide wholesale water to 24 member agencies within a 1,480-square mile service area. In addition to purchasing imported water from the Metropolitan Water District of Southern California, the SDCWA is executing a comprehensive water supply diversification strategy to enhance the reliability of the region's water supply. The strategy includes investing in major new infrastructure and developing new local and imported water supplies. The SDCWA has a \$3.8 billion Capital Improvement Program that is funding facilities to store, treat, and transport water within San Diego County.

(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.

Affirmation of the sphere of influence for the San Diego County Water Authority will not affect social or economic communities of interest.

- (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 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the San Diego County Water Authority.

Exhibit B

SPHERES OF INFLUENCE ACTIVITY San Diego County Water Authority and Metropolitan Water District of Southern California

San Diego LAFCO approved spheres of influence for the San Diego County Water Authority (SDCWA) and the Metropolitan Water District of Southern California (MET) on May 2, 2005. The SDCWA sphere is coterminous with spheres of 23 SDCWA member-agencies. The MET sphere, which applies solely to the San Diego County portion of the six-county agency, is coterminous with the SDCWA sphere.

LAFCO also adopted policy to facilitate consistency between the SDCWA and MET spheres and the spheres of SDCWA member-agencies. Policy L-102 stipulates that SDCWA and MET spheres will be administratively amended or updated in concert with approved changes to spheres of SDCWA member-agencies. Exhibit B provides an inventory of approved changes to SDCWA member-agency spheres and coordinated changes to SDCWA and MET spheres.

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
1. CARLSBAD MUNICIPAL WATER DISTRICT				
11-07-05	SR05-39	Sphere affirmed coterminous	No change	
08-06-07	SR07-11[J1]	Sphere affirmed coterminous	No change	
08-06-07	SR13-20	Sphere affirmed coterminous	No change	
2. FALLBROOK PUBLIC UTILITIES DISTRICT				
08-06-07	SR07-11[K1]	Sphere affirmed coterminous	No change	
3. HELIX WATER (Irrigation) DISTRICT				
08-01-05	SA05-9	See RO05-9 <i>Russell RO</i> Amend Helix WD sphere and annex 0.39 acre to District. Area excluded from Otay WD sphere and detached from Otay WD. Already within SDCWA/Met via Otay WD	SDCWA and MET spheres amended to reflect changes to Helix WD and Otay WD spheres.	
09-11-06	SR04-21	Sphere affirmed generally coterminous; limited smaller-than- district	No change	

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
08-06-07	SR04-21	See RO07-05 <i>Citrus Heights RO</i> Amend sphere to annex 18.49 acres to Helix WD	SDCWA and MET spheres amended to reflect change to Helix WD sphere	Sphere amendment area annexed to SDCWA and MET
08-06-07	SR07-11[1]	Sphere affirmed generally coterminous; limited small-than-district	No change	
4. LAKESIDE (Irrigation) WATER DISTRICT				
05-02-05	SA03-19[B]	See RO03-19 <i>Baxter Gravel, LP RO</i> Amend Lakeside WD and Padre Dam MWD spheres to annex 32.32 acres to both districts	SDCWA and MET spheres amended to reflect changes to Lakeside WD and Padre Dam MWD spheres	Sphere amendment area annexed to SDCWA and MET
09-11-06	SR04-21	See MSR04-21 <i>Upper San Diego River MSR and Sphere Review</i> Amend Lakeside WD sphere and annex 17.05 sq. mi. to District; Riverview WD dissolved and service area annexed to Lakeside WD. Already in SDCWA/MET	SDCWA and MET spheres amended to reflect changes to Lakeside and Riverview WD spheres	
08-06-07	SR07-11[12]	Sphere affirmed larger-than-district	No change	
05-05-08	SA08-05	See RO08-05 <i>Erreca RO</i> Amend Lakeside WD sphere and annex 22.71 acres to Lakeside WD and Lakeside (now SD County) Sanitation District	SDCWA and MET spheres amended to reflect changes to Lakeside WD sphere	Sphere amendment area annexed to SDCWA and MET
5. OLIVENHAIN MUNICIPAL WATER DISTRICT				
05-02-05	SR02-18[A]	See MSR02-18 <i>North Central San Diego County MSR/Sphere Update</i> Amend Olivenhain sphere to exclude 64 acres; add separate 39 acres	SDCWA and MET spheres amended to reflect changes to OMWD sphere	
08-06-07	SR07-11[J3]	Sphere affirmed larger-than-district	No change	
6. OTAY MUNICIPAL WATER DISTRICT				
08-01-05	No Ref. No.	See RO05-9 <i>Russell RO</i> (Helix WD) Amend Otay WD sphere to exclude 0.39 acres; area detached from Otay and annexed to Helix WD.	SDCWA and MET spheres amended to reflect changes to Otay MWD and Helix WD spheres	

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
08-06-07	SR07-11[J4]	Sphere affirmed larger-than-district	No change	
04-08-13	RO12-04	(no member-agency action; annex solely to SDCWA and MET)	No change; within Otay WD sphere, ergo within SDCWA/MET spheres	<i>Peaceful Valley Ranch RO</i> Annex 152.71 acres to SDCWA/ MET only ; within Otay WD.
7. PADRE DAM MUNICIPAL WATER DISTRICT				
05-02-05	SA03-19[A]	See RO03-19 <i>Boxer Gravel, LP RO</i> Amend Padre Dam MWD and Lakeside WD spheres and annex 32.23 acres to both districts	SDCWA and MET spheres amended to reflect changes to Padre Dam MWD and Lakeside WD spheres	
08-06-07	SR07-11[J5]	Sphere affirmed larger-than-district	No change	
8. RAINBOW MUNICIPAL WATER DISTRICT				
08-06-07	SR07-11[J8]	Sphere affirmed smaller-than district	No change	
9. RAMONA MUNICIPAL WATER DISTRICT				
05-07-07	SR05-10[X]	Sphere affirmed coterminous	No change	
08-06-07	SR07-11[J9]	Sphere affirmed coterminous	No change	
10. RINCON del DIABLO MUNICIPAL WATER DISTRICT				
05-05-07	SR05-19[Y]	Sphere affirmed larger-than-district	No change	
08-06-07	SR07-11[J10]	Sphere affirmed larger-than-district	No change	
11. SAN DIEGUITO (Irrigation) WATER DISTRICT				
11-07-05	SR05-48	Sphere affirmed smaller-than-district	No change	
08-06-07	SR07-11[13]	Sphere affirmed smaller-than-district	No change	
05-03-13	SR13-25	Sphere affirmed smaller-than-district	No change	
12. SANTA FE IRRIGATION DISTRICT				
05-02-05	SR02-18[D]	Special Study Area between SFID and Olivenhain MWD resolved	SDCWA and MET spheres amended to reflect changes to SFID and OMWD spheres	
08-06-07	SR07-11[I4]	Sphere affirmed smaller-than-district	No change	
05-03-13	SR13-26	Sphere affirmed smaller-than-district	No change	

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
06-03-13	SA12-12	See RO12-12 <i>King RO</i> Amend SFID sphere and annex 3.86 acres to District; area detached from Olivenhain MWD. Area already within SDCWA/MET through OMWD	SDCWA and MET spheres amended to reflect changes to SFID and OMWD spheres	
13. SOUTH BAY IRRIGATION DISTRICT				
08-01-05	No Ref. No.	See RO05-7 <i>Cypress Glen LLC RO</i> (National City) Amend SBID sphere to exclude 7.78 acres; area detached from SBID and annexed to National City	SDCWA and MET spheres amended to reflect changes to SBID and City of National City spheres	
08-06-07	SR07-11[I5]	Sphere affirmed larger-than-district	No change	
14. VALLECITOS WATER DISTRICT				
08-01-05	SA04-41	See DA04-41 <i>Poinsettia Ranch Annexation</i> Amend Vallecitos WD sphere and annex 24.49 acres to District for wastewater only; area retained in Vista ID for water	SDCWA and MET spheres amended to reflect change to Vallecitos WD sphere	
08-01-05	SA05-24	See DA05-24 <i>De Maria Annexation</i> Amend Vallecitos WD sphere and annex 2.07 acres to District for wastewater only; area retained in Vista ID for water. Area within SDCWA/MET via MET	SDCWA and MET spheres amended to reflect change to Vallecitos WD sphere	
05-07-07	SA07-01	See RO07-01 <i>Carlsbad Fire Station No. 6 Reorganization</i> Amend Vallecitos WD sphere and annex 0.5 acre for wastewater only; area retained in OMWD for water; excluded from Leucadia WD sphere and detached from Leucadia WD.	SDCWA and MET spheres amended to reflect change to Vallecitos WD and Leucadia WD spheres	
08-06-07	SA05-31	See RO05-31 <i>El Norte Parkway RO</i> (abandoned-replaced with RO12-03) Proposed annexation to Vallecitos for water/wastewater; exclude from VID sphere and detach from VID. RO05-31 approved and Vallecitos sphere amended; RO then abandoned. (RO12-03 reintroduced RO with no sphere amendment required) Area already within SDCWA/MET via VID	SDCWA and MET sphere amended to reflect changes to Vallecitos WD and VID spheres	

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
08-06-07	SA07-03	See DA07-03 <i>Sunset Park Annexation</i> Amend Vallecitos sphere and annex 24.37 acres to District for wastewater only.	SDCWA and MET spheres amended to reflect change to Vallecitos WD sphere	
08-06-07	SR07-11[F4]	Sphere affirmed larger-than-district	No change	
03-03-08	SA07-13	See DA07-13 <i>Banche Annexation</i> Amend Vallecitos sphere and annex 6.56 acres to District for wastewater only; area retained in VID for water. Area already within SDCWA/MET via VID	SDCWA and MET spheres amended to reflect change to Vallecitos WD sphere	

15. VALLEY CENTER MUNICIPAL WATER DISTRICT

08-06-07	SR07-11[J12]	Sphere affirmed larger-than-district	No change
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16. VISTA IRRIGATION DISTRICT

11-06-06	No Ref. No.	See RO06-21 <i>Kachay Homes RO</i> (Vallecitos WD) Exclude 4.2 acres from VID sphere; Vallecitos sphere amended and 4.2 acres annexed to Vallecitos for water and wastewater. Area already in SDCWA/MET via VID	SDCWA and MET spheres amended to reflect change to VID sphere
11-06-06	No Ref. No.	See RO06-23 <i>Badger RO</i> (Vallecitos WD) Exclude 5.25 acres from VID sphere; Vallecitos sphere amended and 5.25 acres annexed to Vallecitos for water and wastewater. Area already in SDCWA/MET via VID	SDCWA and MET spheres amended to reflect change to VID sphere

08-06-07	SR07-11[16]	Sphere affirmed smaller-than-district	No change
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17. YUIMA MUNICIPAL WATER DISTRICT

11-07-05	SR05-51	Sphere affirmed coterminous	No change
05-07-07	SR05-12[Z]	Sphere affirmed coterminous	No change
08-06-07	SR07-11[J13]	Sphere affirmed coterminous	No change

Changes to SDCWA and MET spheres: May 2005—August 2013

Date	LAFCO Ref. No.	Sphere of Influence activity for SDCWA member-agencies	Related change to SDCWA/MET spheres	Related annexation to SDCWA/MET
18. CITY OF DEL MAR				
08-01-05	SR05-14	Sphere affirmed coterminous	No change	
03-03-08	SR08-07[D]	Sphere affirmed coterminous	No change	
19. CITY OF ESCONDIDO				
03-03-08	SR08-07[G]	Sphere affirmed larger-than-city	No change	
20. CITY OF NATIONAL CITY				
08-01-05	SR05-19	Sphere affirmed larger-than-city	No change	
03-03-08	SR08-07[K]	Sphere affirmed larger-than-city	No change	
21. CITY OF OCEANSIDE				
08-01-05	SR05-20	Sphere affirmed coterminous	No change	
03-03-08	SR08-07[L]	Sphere affirmed coterminous	No change	
22. CITY OF POWAY				
08-01-05	SR05-21	Sphere affirmed larger-than-city	No change	
03-03-08	SR08-07[M]	Sphere affirmed larger-than-city	No change	
23. CITY OF SAN DIEGO				
03-03-08	SR08-07[N]	Sphere affirmed coterminous	No change	
24. CAMP PENDELTON				
		No sphere: Federal jurisdiction		

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A SPHERE OF INFLUENCE
FOR THE SAN DIEGO COUNTY WATER AUTHORITY
SR13-41**

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 sphere of influence for the San Diego County Water Authority. A written description establishing the nature, location, and extent of the functions or classes of district services was accepted by the San Diego Local Agency Formation Commission as part of the Sphere and Service Review (MSR 13-41 and SR 13-41).

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

The San Diego County Water Authority is a regional wholesale water provider with a 1,480-square mile service area in San Diego County. The County and cities have jurisdiction over land use and planning matters in their areas and all land use decisions within the sphere territory is guided by County and City General Plans. SDCWA policy prohibits annexation of territory unless the area is also within a member retail agency. Affirmation of a sphere of influence will not affect agricultural and open space land uses.

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

The service area of MET covers 1,480 square miles with a population of approximately 3.1 million. The population, which has increased substantially over the preceding 20 years, is anticipated to grow and the District has developed long range plans to address the need for additional water supply and facilities in the future.

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

The San Diego County Water Authority has transportation and storage facilities to provide wholesale water to 24 member agencies within a 1,480-square mile service area. In addition to purchasing imported water from the Metropolitan Water District of Southern California, the SDCWA is executing a comprehensive water supply diversification strategy to enhance the reliability of the region's water supply. The strategy includes investing in major new infrastructure and developing new local and imported water supplies. The SDCWA has a \$3.8 billion Capital Improvement Program that is funding facilities to store, treat, and transport water within San Diego County.

- (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.**

Affirmation of the sphere of influence for the San Diego County Water Authority will not affect social or economic communities of interest.

- (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 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the San Diego County Water Authority.

**RECOMMENDED STATEMENT OF DETERMINATIONS
MUNICIPAL SERVICE REVIEW
SAN DIEGO COUNTY WATER AUTHORITY
MSR13-41**

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 San Diego County Water Authority. A written description establishing the nature, location, and extent of the functions or classes of district services was accepted by the San Diego Local Agency Formation Commission as part of the Sphere and Service Review (MSR 13-41 and SR 13-41).

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

The San Diego County Water Authority (SDCWA) is a regional water wholesaler that purchases and imported water from various sourced for resale to 24 retail member-agencies. In August 2005, the San Diego LAFCO approved a sphere of influence for the SDCWA that is coterminous with spheres of the Authority's member-agencies. The current population estimate within SDCWA is approximately 3.1 million. Population within the SDCWA will continue to increase with anticipated population growth in member agencies.

(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 San Diego County Water Authority.

(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.

The San Diego County Water Authority has a 1,480-square mile service area. In addition to purchasing imported water from the Metropolitan Water District of Southern California, the SDCWA is executing a comprehensive water supply diversification strategy to enhance the reliability of the region's water supply. The strategy includes investing in major new infrastructure and developing new local and imported water supplies. The SDCWA has a \$3.8 billion Capital Improvement Program to fund construction of facilities to store, treat, and transport water within San Diego County.

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 San Diego County Water Authority.

(4) Financial ability of agencies to provide services.

The San Diego County Water Authority adopted a \$1.5 billion budget for FY 2014 and 2015. Revenue sources include: water sales—74 percent; fund withdrawals—12 percent; Infrastructure access charges—4 percent; Capacity charges—2 percent; water standby availability charges—2 percent; property taxes and in-lieu charges—1 percent; all other—5 percent.

The two-year budget is 5.2 percent larger than the budget for fiscal years 2012 and 2013. The increase is generally related to the purchase and treatment of water, which has risen 19 percent. Higher costs are linked to slightly larger sales volumes coupled with scheduled increases in the cost of water from the Imperial Irrigation District as part of a long-term conservation-and-transfer program approved in 2003. The FY14-15 budget also accounts for purchase of water to store in the newly expanded San Vicente Reservoir, along with a five percent increase in treated water rates by the Metropolitan Water District of Southern California. Wholesale rates that the SDCWA will charge its member agencies will increase by 2.6 percent for untreated supplies and 3.5 percent for treated supplies.

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

The San Diego County Water Authority partners with numerous State, regional, and local agencies to develop and maintain water supplies and infrastructure.

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

The San Diego County Water Authority is governed by a 36-member appointed Board of Directors; a member of the San Diego County Board of Supervisors serves as a non-voting representative. At least one representative from each of the 24 member-agencies serves on the SDCWA Board; voting entitlement is based on the member agency's total financial contribution to the SDCWA.

The Board of Directors holds monthly noticed public meetings. Board meetings are open to the public and agendas are available at: www.sdcwa.org.

(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 required by commission policy are not relevant in considering the San Diego County Water Authority.

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A SPHERE OF INFLUENCE
FOR THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
SR13-42**

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 sphere of influence for the Metropolitan Water District of Southern California. A written description establishing the nature, location, and extent of the functions or classes of district services was accepted by the San Diego Local Agency Formation Commission as part of the Sphere and Service review (SR 13-42 and MSR 13-42).

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

The Metropolitan Water District of Southern California (MET) is a regional wholesale water provider that services the majority of developed territory in six Southern California counties. A sphere of influence was approved for the District in 2005, which is limited to MET territory in San Diego County.

The Metropolitan Water District of Southern California includes approximately 5,200 square miles; approximately 1,480 square miles are in San Diego County. The County of San Diego and the cities have jurisdiction over land use and planning matters in their areas and all land use decisions within the sphere territory is guided by County and City General Plans. MET policy prohibits annexation of territory unless the area is also within a member retail agency. Affirmation of a sphere of influence will not affect agricultural and open space land uses.

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

The San Diego County service area of MET covers 1,480 square miles with a population of approximately 3.1 million. The population, which has increased substantially over the preceding 20 years, is anticipated to grow and the District has developed long range plans and capital improvement programs to address need for additional water supply and facilities.

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

The Metropolitan Water District of Southern California owns and maintains the 242-mile Colorado River Aqueduct with annual transport capacity of 1.3 million acre-feet. Other MET facilities include: six pumping stations; 29 tunnels covering 92 miles; 63 miles of canals; 58 miles of conduit and pipelines; 8 water treatment plants; 9 reservoirs with total storage capacity of 1.072 million acre-feet; 16 hydroelectric plants with total capacity of 122 megawatts; and a 819-mile distribution system with 400 connections to member 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.**

Affirmation of the sphere of influence for the Metropolitan Water District of Southern California will not affect social or economic communities of interest.

- (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 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the Metropolitan Water District of Southern California.

**RECOMMENDED STATEMENT OF DETERMINATIONS
MUNICIPAL SERVICE REVIEW
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MSR13-42**

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 Metropolitan Water District of Southern California. A written description establishing the nature, location, and extent of the functions or classes of district services was accepted by the San Diego Local Agency Formation Commission as part of the Sphere and Service Review (SR 13-42 and MSR 13-42).

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

The Metropolitan Water District of Southern California (MET) is a consortium of public agencies that supplies imported water to 19 million residents in six Southern California counties. In August 2005, the San Diego LAFCO approved a sphere of influence for MET that is limited to district territory in San Diego County. The MET sphere is coterminous with the sphere of the MET member-agency in San Diego, the San Diego County Water Authority. The current population estimate within the San Diego County service area of MET is approximately 3.1 million. MET population will increase as population within the San Diego County Water Authority and the Authority's retail member-agencies increases.

(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 Metropolitan Water District of Southern California.

(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.

The Metropolitan Water District of Southern California has a 1,480-square mile service area within San Diego County where imported, wholesale MET water is distributed through the San Diego County Water Authority. MET owns and operates the 242-mile Colorado River Aqueduct that transports Colorado River water from Lake Havasu on the California-Arizona border to a MET reservoir in Riverside County. MET also takes delivery of almost half of the water supply from the State Water Project and provides water storage and treatment services through a comprehensive system of facilities and operations, primarily in San Bernardino and Riverside Counties. MET operates five large diameter pipelines, the Diamond Valley 810,000-acre foot reservoir, and the Skinner Water Treatment Plant in Temecula, which directly benefits San Diego County. MET has

developed long-range plans to address the future supply and infrastructure needs that will increase as southern California communities grow.

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 Metropolitan Water District of Southern California.

(4) Financial ability of agencies to provide services.

Metropolitan Water District of Southern California revenue sources for the biennial FY2012/13 and 2013/14 budget include: (1) water rates and charges—77 percent; (2) bond proceeds—10 percent; (3) taxes and annexations—5 percent; (4) fund withdrawals—5 percent; (5) hydroelectric sales and miscellaneous income—2 percent; and (6) interest income—1 percent. Budgeted receipts for FY 2012/13 are expected to total \$1.66 billion; \$1.72 billion for FY 2013/14. Receipts for both fiscal years are based on projected annual water sales of 1.7 million acre feet and include an increase in base rates and charges averaging 5 percent, effective January 1, 2013 and January 1, 2014. MET water revenue bond ratings are: Standard & Poor's—AAA; Moody's—Aa1; and Fitch—AA+.

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

The Metropolitan Water District of Southern California partners with numerous State, regional, and local agencies to develop and maintain water supplies and related infrastructure.

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

The Metropolitan Water District of Southern California is governed by a 37-member appointed Board of Directors. Each of the 26 MET member-agencies—14 cities, 11 municipal water districts, and the San Diego County Water Authority—is entitled to appoint one director; additional seats are allocated according to assessed valuation within the member-agency. The Board of Directors conducts monthly noticed public meetings. Board and Board Committee meetings are open to the public and are broadcast through the Metropolitan website: www.mwdh2o.com.

(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 required by commission policy are not relevant in considering the Metropolitan Water District of Southern California.