

May 2, 2005

TO: Local Agency Formation Commission

FROM: Executive Officer
Chief, Governmental Services

SUBJECT: North Central San Diego County Municipal Service Review and Sphere of Influence Update Study (MSR02-18; SR02-18[A]; SR02-18[B]; SR02-18[C]; SR02-18[D])

LAFCO EXECUTIVE SUMMARY

This Summary Report of the North Central San Diego County Municipal Service Review (MSR) and Sphere of Influence (SOI) Update Study covers four topics: (1) provisions pertaining to the municipal service review requirement; (2) background information and procedures related to the North Central San Diego County MSR/SOI Update Study; (3) conclusions reached during the study and the subsequent determinations; and (4) synopsis of both the proposed and recommended sphere changes associated with the sphere of influence update component. This Executive Summary is to be used in conjunction with the attached document entitled *North Central San Diego County Municipal Service Review and Sphere of Influence Update*, which also is available on the LAFCO website at www.sdlafco.org.

▪ MUNICIPAL SERVICE REVIEW REQUIREMENT

Effective January 1, 2001, the Cortese-Knox-Hertzberg Act required that LAFCO conduct reviews of all municipal services provided in each County. A Municipal Service Review is an informational report that provides LAFCO with a tool to comprehensively study existing and future public service conditions, evaluate organizational options to accommodate growth, prevent urban sprawl, and ensure that critical services are provided in an efficient and cost-effective manner. In addition, State Law requires that these reviews be conducted before, or in conjunction with, updating spheres of influence. A sphere of influence is an essential advanced-planning tool, which provides guidance in forecasting the probable physical boundaries and service area of a local governmental agency. Government Code Section 56425 requires that spheres be regularly reviewed and updated as necessary.

▪ BACKGROUND AND PROCEDURES

During 2002, the level of development activity involving territory known as Santa Fe Valley, which is located in and adjacent to the Olivenhain Municipal Water District (MWD) and the Rancho Santa Fe Community Services District (CSD), was increasing significantly. Associated with the accelerated development in this area were service provision issues (refer to Maps 1 & 2). LAFCO staff concluded that the preparation of an MSR and SOI Update Study that focused on the Santa Fe Valley area would help resolve jurisdictional issues associated with the provision of water and sewer services in that region. Although the service areas of both the Fairbanks Ranch and Whispering Palms CSDs are located in the geographical boundary defined for the North Central San Diego County MSR, those agencies were not identified as having a direct relationship to the area experiencing increased development pressure, and were not included in the MSR/SOI Update Study. The Commission subsequently approved a phased approach to studying the region, and determined that the review should encompass the service areas of the Olivenhain MWD, Rancho Santa Fe CSD, and the northern portion of the City of San Diego. In early 2003, LAFCO authorized two of the affected agencies – Olivenhain MWD and Rancho Santa Fe CSD – to prepare the MSR/SOI Update Study proposal. In 2004, the Districts finalized contractual arrangements with a consultant to prepare those reports.

To complete the MSR/SOI Update Study, a Request for Information survey was developed and distributed to the Olivenhain MWD, Rancho Santa Fe CSD, and the City of San Diego (as a service provider in that region). To obtain baseline information from agencies peripherally involved in the MSR, condensed surveys were prepared for the Santa Fe Irrigation District (ID), Vallecitos Water District (WD), and several other agencies. The survey results provided by Olivenhain MWD, Rancho Santa Fe CSD, and the City of San Diego were compiled into a *Data Summary* document. Additionally, data from other agencies located in close proximity to the North Central San Diego region was collected, organized, and reviewed during the analysis.

The draft MSR/SOI Update Study was distributed in September 2004 to local agencies as well as individuals who had expressed interest in receiving a copy. Eight comment letters were received during this draft public review period and are included in the final report.

The North Central San Diego County MSR/SOI Update Study includes a discussion of the existing spheres for Olivenhain MWD, Rancho Santa Fe CSD, Santa Fe ID, Vallecitos WD, and the partial sphere for that portion of the City of San Diego located in the study area boundary. In addition, the report references separate, service-specific spheres that LAFCO adopted for the water and sewer service areas of the Olivenhain MWD. Olivenhain MWD's sewer service sphere was established in 1998 when two County Sanitation Districts – the 4S Ranch Sanitation District and the Rancho Cielo Sanitation District¹ – were dissolved. Both districts had been located within Olivenhain MWD, which became the successor agency by assuming responsibility for

¹ North Central San Diego County Municipal Service Review and Sphere of Influence Update, November 2004, pg. ES-6.

provision of wastewater collection, treatment, and disposal in the former service areas of the two dissolved districts. Concurrent with the dissolutions, Olivenhain MWD was authorized to exercise latent sewer powers restricted to the former service areas of the dissolved districts. Since sewer service is limited to specific portions of the Olivenhain MWD, LAFCO established a separate sewer service area sphere of influence that is referenced throughout the report as the Olivenhain MWD sewer service sphere.

The sphere update component of this study focused on 19 geographic “Areas of Consideration” for service that fell into four sphere categories: (1) reduction of the sphere to exclude an area; (2) expansion of the sphere to include an area; (3) no change to the existing sphere; or (4) a Special Study Area designation.

Environmental review was conducted for the SOI Update Study resulting in the approval of a Negative Declaration (ND) by the co-lead agencies (Olivenhain MWD and Rancho Santa Fe CSD). In this case, LAFCO functions as a responsible agency and will certify the document after approval by both lead agencies. The ND comment period opened on December 29, 2004 and closed on January 27, 2005. Prior to the ND comment period closing date, eight letters were received. A letter from the State Clearinghouse verified that no affected state agencies submitted comments, and seven other comment letters were submitted. Responses to all eight letters were formulated and all materials incorporated into the Final ND prior to its adoption. Since four of the letters expressed concern over the proposed changes to the spheres of influence, summaries of each comment contained in those letters, as well as the related responses follows. For the complete text of all letters and responses, please refer to the attached ND.

Letters Involving Olivenhain MWD:

Currently, a 70-acre portion of the Fairbanks Ranch Country Club is located in Olivenhain MWD and its water service sphere. Water is delivered to the remaining 304-acre portion of the Country Club by the District under the conditions of a contractual service agreement. The SOI Update Study conducted for the Olivenhain MWD originally recommended that the water service sphere be expanded to include the 304-acre portion of the Country Club where water is provided by contract.

- Letter B: Fairbanks Ranch Country Club (FRCC)

Comment 1: The Country Club Board requested that the Olivenhain MWD delay consideration and potential approval of the ND for 60 days to allow Country Club members more time to review the document. The letter also asserted that the ND was insufficient in five areas – growth inducement; direct and indirect impacts; negative economic impact; significant public controversy; and segmentation of the project.

Response 1: The lead agencies believe that the ND is sufficient in all areas, and that the proposed sphere amendments do not change land uses since the amendment areas are limited to accommodating existing or planned development already allowed by current general plans, zoning ordinances, or already having approved environmental review. In addition, the time period required by CEQA for public review and receipt

of comments has been satisfied. Delaying this MSR/SOI project would seriously jeopardize the progress of several planned developments already having completed environmental review.

Comment 2: The Country Club Board contends that the ND is deficient because the proposed expansion of the MWD's water sphere includes areas that may be annexed in the future and result in foreseeable impacts that have not been addressed. In addition, future annexation also could include commercial development that would require expansion of existing infrastructure. The Board has concluded that additional studies are necessary to determine if extension of water service to the expansion areas would be growth inducing. If the studies determined that the project does, indeed, promote growth, then the Country Club Board believes that the preparation of an Environmental Impact Report (EIR) would be required.

Response 2: The proposed sphere amendments designate potential/future service areas and do not authorize development, whether residential or commercial. Environmental review already has been conducted on projects proposed for some of the expansion areas. If during environmental review, the project was found to be growth inducing, it was determined that the impact was caused by factors other than provision of water and/or sewer service(s). The lead agencies have analyzed water provision to the proposed projects and concluded that existing water service facilities already are in place and adequate service is available; upgrades or construction of additional infrastructure would not be required. Consequently, the proposed sphere amendments are not growth inducing because they will only accommodate existing development or development that already has been approved for construction in the expanded sphere areas. Thus, an EIR is not required.

Comment 3: The comment letter claims that the ND divides a large-scale project into smaller segments so that impacts can be characterized as minimal. An additional claim is that the ND fails to recognize and evaluate the foreseeable environmental effects that annexation will incur, and does not contain a guarantee that new water and/or sewer facilities will need to be either constructed and/or expanded to provide service. Again, it is suggested that an EIR is warranted.

Response 3: The lead agencies have incorporated information related to all proposed sphere changes and potential future annexations into the environmental document. Both Districts believe that the project was not segmented, that potential environmental impacts were properly analyzed, and that analysis was conducted for the sphere update as a whole.

Being added to an agency's sphere does not mean that territory automatically will be annexed, rather inclusion in a sphere is only one of several factors LAFCO examines when reviewing individual annexation proposals. Therefore, to annex the newly added sphere areas, LAFCO would need to process an application requesting annexation. As mentioned, previous analysis has determined that the agencies involved in the MSR/SOI Update Study would not require additional infrastructure to deliver adequate service to the proposed sphere amendment areas.

To annex the sphere expansion areas, a proposal would have to be submitted to LAFCO. LAFCO staff would then conduct a thorough evaluation of its merits, including the need for service, the agency's ability to provide service, potential impacts on existing customers, compliance with land use designations and zoning, and potential environmental impacts.

Comment 4: The argument is restated that installation of new infrastructure may be necessary to maintain an acceptable level of water supply and service to both Olivenhain MWD's current service area and the proposed sphere expansion areas. Construction of additional infrastructure could have significant environmental effects that would require in-depth environmental review.

Response 4: As previously stated, the lead agencies are not anticipating the construction of additional infrastructure to meet the water or sewer service needs of the proposed sphere amendment areas. Sufficient capacity is available to accommodate existing development, previously approved future development, as well as development that would be permitted under existing general plans, zoning ordinances, and land use regulations. Sphere changes themselves are not an instrument to legally allow provision of service outside any agency's boundaries – the territory must first be annexed. Thus, it is speculative at this time to assume that the proposed sphere amendment areas would receive service and thus require additional infrastructure.

Comment 5: This comment pertains to whether the ND offers feasible alternatives to the proposed sphere changes, as well as whether the document addresses the consequences of a potential sphere realignment. The FRCC letter stated that CEQA prohibits public agencies from approving projects as proposed if there are either feasible alternatives or feasible mitigation measures that could substantially lessen significant adverse environmental impacts. The suggested alternative is to modify the proposal to include the County Club in the City of San Diego's sphere.

Response 5: CEQA Guidelines do not require that an ND analyze or present alternatives to a project. If significant environmental impacts have been identified in the Initial Study, measures to mitigate those adverse effects must be introduced that would reduce the impacts to a level of insignificance. The suggestion that the Country Club receive water service from the City of San Diego is infeasible since the City currently has no infrastructure in the area, and has acknowledged an inability to provide service to the facility. An overlap area of approximately 70 acres of the golf course exists between the City of San Diego and the Olivenhain MWD and both agencies' spheres; however, the District has provided water to that area for several years. About 304 acres of the FRCC golf course is located outside the MWD's water service sphere. Nevertheless, the clubhouse receives water from Olivenhain MWD pursuant to the terms of a contractual agreement executed between the two entities in 1984. As a consequence of the City's inability to provide water service to that region, the City and District entered into an agreement last December whereby the golf course would receive water from the District. Accordingly, it was proposed that the entire area be included in Olivenhain's water service sphere.

The Club's representative appears to presume that including the additional portion of the Country Club site in Olivenhain MWD's sphere potentially could result in the detachment of that area from the City of San Diego. It should be noted that the entire facility already is in the City of San Diego and its adopted sphere; having the area in the spheres for both the City and District has no bearing in prompting a future reorganization to detach the site from the City. Furthermore, State Law prohibits detachment of city territory without concurrence from the city council.

Comment 6: The letter states that the environmental document fails to analyze fiscal impacts associated with the future annexation to the District of the areas currently proposed for inclusion in the sphere. In addition, the Country Club representative claims that Olivenhain MWD's water rates are higher than rates charged in other water districts in the vicinity.

Response 6: CEQA Guidelines and case law do not require an ND to analyze the economic effects of a project, especially if there is no evidence of economic impacts contributing to physical changes in the environment. Olivenhain MWD has conducted a study to ascertain the costs related to water service delivery, and concluded that the current rate does not exceed the reasonable cost of providing service.

Comment 7: The FRCC alleges that several aspects of the ND have contributed to the project being characterized as controversial, and thus should be subject to the higher level of scrutiny that would be detailed in an EIR.

Response 7: Although the 450-member Country Club perceives this as a controversial project, only seven comment letters pertaining to the ND were submitted, and two of those letters raised questions regarding the adequacy of environmental review. The remaining five letters clarified information or were supportive of the MSR/SOI Update Study. The existence of public controversy in and of itself is not sufficient justification to require that an increased level of environmental review be conducted.

Comment 8: The Country Club representative reiterates that an ND represents an inadequate level of environmental review and stresses that an EIR needs to be produced. Among the arguments presented as a basis for this assertion is the belief that certain reasonable foreseeable direct and indirect impacts associated with the long-term outcome of the proposal have not been addressed.

Response 8: The lead agencies contend that the letter expresses opinions rather than facts. No adequate factual foundation has been presented to substantiate the Country Club's claim that the project would result in significant negative environmental impacts requiring the preparation of an EIR. CEQA acknowledges that subjective concerns and unsubstantiated opinions do not qualify as substantial evidence.

Comment 9: This comment primarily pertains to LAFCO procedures, but also emphasizes that the Commission must consider the economic effects on an area prior to approving an updated sphere of influence. The FRCC implies that the sphere update and future annexation of the study areas may have significant negative economic

impacts, and encourages anyone affected by this change to file a written request for reconsideration.

Response 9: In preparing a municipal service review and sphere update, LAFCO is obligated to evaluate a number of factors. While the comment letter indicates that the sphere update may have significant negative economic effects on the areas proposed for inclusion in the sphere, it fails to pinpoint specific aspects of how this would occur. The MSR/SOI Update Study did not identify any negative economic impacts and did not report that rate structure or charges by the service providers were unreasonable.

There appears to be a misunderstanding regarding the procedural differences between processing proposals involving jurisdictional changes as opposed to proposals related to spheres of influence. The factors analyzed during a service review and/or sphere update are different than those appraised in the processing of a jurisdictional boundary change. Processing procedures also differ between those two types of projects. While the procedures for both allow reconsideration to be requested within 30 days after the action has been taken, provisions related to protest proceedings, and potential confirmation by voters do not apply to sphere actions. The Commission is the sole authority in determining, adopting, amending and updating spheres of influence; it is not a matter that can be presented to the public for voter confirmation. Filing a request for reconsideration is an option the Country Club has a right to pursue, if it so chooses.

Comment 10: As a stakeholder in the MSR/SOI Update process, the Country Club stated that an opportunity to review the draft document was not provided. Since the document contains very detailed analysis of the sphere update, the FRCC expressed difficulty in understanding and comprehending the information. Furthermore, the Country Club representative contends that the document was never explained to the membership and that, with adequate instruction, information would be provided that should be incorporated into the ND. The Country Club again requests the continuance of certifying the ND, which is based on the belief that the proposed sphere change could have a significant negative economic impact on its current and future operations.

Response 10: In September 2004, a copy of the draft MSR/SOI Update report was sent to the FRCC for the informational purposes as well as to solicit relevant comments. With corrections, changes, additions, and updates completed, the final MSR/SOI document and draft ND have been available since November 2004. As previously mentioned, the FRCC has provided no substantial evidence that the proposed sphere changes would result in negative economic effects. In addition, provisions regulating the public review and comment period for environmental documents are in compliance with CEQA requirements.

Although both lead agencies believe that the ND adequately addresses all required aspects of environmental review, Olivenhain MWD staff has deferred to the Country Club Board's concerns and modified its sphere proposal to designate the Fairbanks Ranch Country Club as a Special Study Area. This designation indicates that no sphere change is warranted at this time and the area should be thoroughly examined in the future.

Letters Involving Olivenhain MWD (Continued):

Olivenhain MWD has two separate spheres of influence – one for water service and the other for sewer service (refer to Maps 3 & 4). The proposed Cielo del Norte development consists of three parcels encompassing 233.4 acres. All of this territory is in Olivenhain MWD’s water service area and its corresponding water sphere. However, while two of the parcels also are in the District’s sewer service sphere, one 203.5-acre parcel is not. To place the entire development in one agency’s sphere for potential sewer service, the MSR/SOI Update Study proposes that Olivenhain MWD’s sewer sphere be expanded to include the 203.5-acre remainder parcel.

- Letter D: Elfin Forest/Harmony Grove Town Council

Comment 1: The Town Council is of the opinion that this sphere expansion will result in impacts to the environment.

Response 1: Environmental review specifically conducted for the Cielo del Norte project has been completed and was examined and certified by the Board of Supervisors in December 2003. All impacts resulting from the project have been analyzed and mitigated to below a level of significance. Including the remainder parcel in Olivenhain MWD’s sewer sphere will not result in significant negative effects on the environment.

Comment 2: The Town Council asserts that expanding the sewer sphere to include the entire Cielo del Norte project has significant cumulative impacts on a number of the elements reviewed in an environmental impact report. The Town Council’s Chair states that not only does the sphere update conflict with local policies designed to protect biological resources and community character, but also an ND is inappropriate and more detailed studies should be conducted to identify and quantify all negative effects of the sphere expansion.

Response 2: Specific impacts of expanding the District’s sewer sphere to include the Cielo del Norte property already were analyzed in a project-specific EIR. The EIR contained measures to mitigate significant impacts to below a level of significance and was certified by the County Board of Supervisors in December 2003.

Letters Involving Olivenhain MWD (Continued):

- Letter E: The MacKenzie Group

Comment 1: A property owner’s consultant describes a 40-acre parcel that is entirely within the Olivenhain MWD, and is the subject of a tentative map (TM) currently being processed through the County’s Department of Planning and Land Use. The development plan proposes a two-phased, eight-lot subdivision, with the first phase consisting of a 17.75-acre portion of the parcel. Although septic systems will be utilized for most of the residences, homes proposed for the 17.75-acre area will require connection to a public sewer system.

Response 1: This comment provides background information regarding a 40-acre parcel located in both the MSR/SOI Update Study Area and the Olivenhain MWD.

Comment 2: The consultant requests that the District's sewer service sphere be expanded to include that 17.75-acre portion of the site. Connection distance would be approximately 300 feet. As previously mentioned, septic systems will be installed to serve the remaining portion of the TM site.

Response 2: This parcel was not designated as an "Area of Consideration" and was not evaluated during the conduct of the MSR/SOI Update Study and the associated environmental review. Therefore, service requirements were not incorporated into calculations related to future capacity, infrastructure, or the District's ability to provide service. It is unknown whether the MWD would have the ability to provide adequate service to that area. Since the territory was not included in the initial review, the ND cannot be amended at this time to include it.

Expansion of the sewer service sphere to include this property is a timing issue related to when the MSR/SOI Update Study was conducted and when the development plans were submitted. The property owner retained a consultant to process a TM with the County for a proposed residential development. While the property was included in the MSR/SOI Update Study boundary, it was not an "Area of Consideration." This designation was given to areas that were to be specifically reviewed in conjunction with the sphere update component of the MSR. Approvals of the TM and related environmental review have yet to be obtained and the proposal has not yet been submitted to LAFCO. Once the plans and environmental review are approved and the proposal submitted, LAFCO will then have the opportunity to analyze whether service delivery issues are associated with the project. At that time, an evaluation regarding the provision of sewer service by the Olivenhain MWD would be conducted. Because the project will be subject to LAFCO review, LAFCO has the discretionary authority to expand the OMWD's latent sewer powers and sphere to include this property should OMWD be deemed as the appropriate sewer service provider and found to have sufficient capacity available to serve the site.

At this time, two options are available to address the matter. Option #1 would be for the Commission to designate this as a Special Study Area whereby a sphere determination would be made when the project requires annexation for sewer service. Option #2 would be to acknowledge two facts: (1) the property was in the MSR/SOI Update Study area but was not an "Area of Consideration"; and (2) a letter requesting inclusion in Olivenhain MWD's sewer service sphere was filed prior to approval of the MSR/SOI Update Study. With these acknowledgements and the relatively small size of the territory (less than 20 acres), the project could then qualify for a waiver to the policy discouraging sphere changes within 5 years after approval of an update. Thus, the future sphere modification could be processed as a "minor" sphere amendment.

Letter Involving Rancho Santa Fe CSD:

During the sphere of influence update process, eight areas were examined for possible inclusion in the Rancho Santa Fe CSD sphere. One of those – the Bridges Project (Lennar Communities) – is the subject of a tentative map that proposes construction of about 30 homes on 94 acres. At this time, neither LAFCO staff nor the Rancho Santa Fe CSD is proposing inclusion of the area in the sphere because the District cannot demonstrate its ability to provide service. Instead, a Special Study Area designation is recommended to indicate that further study is required prior to making a final sphere determination.

- Letter H: Lennar Communities

Comment 1: Concern is expressed that the Bridges Project has not been included in the proposed expansion of the Rancho Santa Fe CSD's sphere of influence. The development company believes that the property should be either included in the sphere or placed in a Special Study Area.

Response 1: Designating the Bridges Project a Special Study Area already has been recommended. While the District's Board has confirmed its willingness to provide sewer service, that service cannot be delivered unless necessary approvals from the County have been obtained.

Comment 2: The Bridges Project involves seven phases. Six already are either built or under construction per approved development plans; all receive sewer service from Rancho Santa Fe CSD. Unit 7, which is the last phase, is beyond the district boundary and current sphere of influence.

Response 2: Although Unit 7 is outside the CSD's sphere, insufficient justification exists to amend the sphere to include the territory at this time.

Comments 3 & 4: In 1997, the CSD entered into an agreement to construct the improvements necessary to provide sewer service to Unit 7, with service delivery contingent upon annexation. Extension of existing district lines is the most feasible method of connecting the development to a public sewer system. Receiving service from other agencies (e.g., the City of Encinitas) is impractical since excessive pumping and extension of sewer lines would be required. In addition, installation of septic systems would be illogical since the CSD system is available.

Responses 3 & 4: The MSR/SOI Update Study identifies either the Rancho Santa Fe CSD or City of Encinitas as potential sewer service purveyors for the Bridges Unit 7. In either case, required infrastructure (piping and pumping stations) would need to be constructed with associated costs passed on to the developer. Should the CSD express a willingness to provide service, an expansion of the existing treatment plant would be necessary. Environmental review pertaining to Unit 7 is currently underway; potential treatment plant expansion and installation of infrastructure should be evaluated in conjunction with that process.

Comment 5: The development company asserts that the Rancho Santa Fe CSD has acknowledged a commitment to be the sewer service provider for the entire development, and that there is no other viable economic or engineering option. The letter restates that Unit 7 should be included in the Rancho Santa Fe CSD sphere, but if that is not possible at this time, the territory should be designated as a Special Study Area.

Response 5: Because an ability to provide sewer service to the site has not yet been demonstrated by either the Rancho Santa Fe CSD or the City of Encinitas, designating Unit 7 as a Special Study Area is appropriate at this time. Please refer to previous comments.

Comment 6: The Lennar Communities letter states that the Bridges Project as a whole will provide financial support for expanding the treatment plant as well as helping to fund additional infrastructure. The development company expressed the expectation that the annexation proposal related to Unit 7 would be submitted in approximately 6 months.

Response 6: During the MSR/SOI Update process, the status of the Bridges Project, Unit 7 was evaluated. Neither the final MSR/SOI Update document nor the ND provide for annexation of any territory reviewed during the process. Any proposed annexation would have to be processed and considered by LAFCO in the future.

A copy of the Final Negative Declaration is attached for review and consideration. It should be noted that the environmental review is based solely on the conclusions of the *Sphere Update Study* for the project area, and applies only to sphere of influence actions. The *Municipal Service Review* component consists of basic data collection, research, and evaluation; activities that will not result in any disturbance to the environment. Thus, pursuant to San Diego LAFCO's Administrative Procedures for implementation of CEQA, the MSR is exempt from the environmental impact evaluation process per Section 15306 of the CEQA Guidelines.

▪ **DETERMINATIONS**

The North Central San Diego County MSR generated 112 determinations covering the nine categories required by State Law. It should be noted that determinations are not findings of fact; rather they are "...declaratory statements that make a conclusion, based on all the information and evidence presented to the Commission."² The Commission may use the determinations to provide guidance for future decisions, but the determinations themselves do not represent recommendations for action. A full list of the 112 determinations has been provided as an attachment to LAFCO's Executive Summary and also is located in the attached document, beginning on page 1.5-1. The following summary of the MSR determinations has been provided for your information:

² Final Local Agency Formation Commission Municipal Service Review Guidelines, Governor's Office of Planning and Research, August 2003, pg. 44.

Determinations 1.0-1.18: Infrastructure Needs or Deficiencies

Adequacy of existing infrastructure was determined based on a lack of system weakness indicators, such as non-compliance with San Diego County Water Authority (CWA) emergency guidelines, and regulatory violations or citations. For the most part, the Olivenhain MWD infrastructure was found to be adequate except for one small section of the District having issues related to fire flow pressure levels. Olivenhain MWD has reported that problems in the areas where fire flow pressure does not meet current standards are being addressed. The water pressure differentials in those limited areas are due to the size of transmission piping. Existing Rancho Santa Fe CSD infrastructure was found to be adequate. The City of San Diego infrastructure also was found to be adequate in all areas except for wastewater infrastructure emergency planning. Emergency planning is minimal in the MSR area boundary where there is no apparent method of providing emergency sewer service to the Olivenhain MWD, if service was needed.

Determinations 2.0-2.8: Growth and Population Projections

Projections for future growth and population patterns were examined for integration into each agency's planning function. An example of such integration includes an official policy on future development within the agency. The Rancho Santa Fe CSD uses historical data and septic failure records to predict growth and population; however, there is no specific policy directing growth inside the District. Both the Olivenhain MWD and the City of San Diego rely on SANDAG data for growth and population projections, and have specific policies for infill development.

Determinations 3.0-3.14: Financing Constraints and Opportunities

Strategies and innovations for capitalizing on financing opportunities that may have an impact on the delivery of services were analyzed for all three agencies. Each agency has multiple strategies for maintaining financial viability. To achieve that goal, the Olivenhain MWD chiefly uses enterprise funds while the Rancho Santa Fe CSD primarily uses enterprise funds and service contracts with private consultants.

Determinations 4.0-4.3: Cost Avoidance Opportunities

All three agencies were examined for examples of cost avoidance opportunities which include but are not limited to: eliminating duplicative services; reducing high administration to operation cost ratios; replacing outdated or deteriorating infrastructure and equipment; reducing inventories of underutilized equipment, building, or facilities; redrawing overlapping or inefficient service boundaries; replacing inefficient purchasing or budgeting practices; implementing economies of scale; and increasing profitable outsourcing. Strategies for cost avoidance include contracts for services by the Olivenhain MWD, privatization of services by the Rancho Santa Fe CSD, and mutual aid agreements and cooperative programs by the City of San Diego.

Determinations 5.0-5.28: Opportunities for Rate Restructuring

Rate restructuring opportunities were scrutinized for rate setting methodologies, conditions that could impact future rates, and variances among rates, fees, taxes, and any other charges within each agency. Both the Olivenhain MWD water rate increases and the Rancho Santa Fe CSD sewer rate increases generally are below CPI. In addition, Olivenhain utilizes zone-charging rates. City of San Diego rate increases also generally are below CPI, and the City utilizes a consultant “cost of service” study. It is likely that the City will implement significant rate increases in the future to cover the cost of needed new facilities.

Determinations 6.0-6.13: Opportunities for Shared Facilities

Facilities that can be shared may reduce public service costs as well as increase service efficiencies if service providers explore and develop strategies for sharing resources. Both the Olivenhain MWD’s Wanket Reservoir and the Rancho Santa Fe CSD’s Santa Fe Valley Water Reclamation Facility are currently underutilized and could be shared with another agency. The City of San Diego did not report having any underutilized facilities.

Determinations 7.0-7.4: Government Structure Options

Current agency government structure was examined for possible increased efficiency through consolidation(s) or functional reorganization(s). The Rancho Santa Fe CSD is independent of other agencies and contracts with San Elijo Joint Powers Authority for service. While the Olivenhain MWD essentially is consolidated with other water providers by virtue of being under the umbrella of the San Diego CWA, the District’s provision of sewer service is independent of other agencies. The City of San Diego is de facto consolidated as a member of CWA for water and de facto consolidated under an umbrella of the Regional Wastewater Disposal Agreement for wastewater services.

Determinations 8.0-8.10: Evaluation of Management Efficiencies

Management efficiency was evaluated using the effectiveness of an agency’s internal organization to adequately provide efficient, quality public services as the primary criterion. Each agency has implemented procedures to review its functions, operations, and practices. The Olivenhain MWD uses an annual, independently conducted auditor’s report to appraise management efficiency, and has reasonably low management to staff ratios with realistically low employee turnover as well. However, the District should adopt a policy regarding the review and update of policies on retention and use of reserve funds. The Rancho Santa Fe CSD also uses an annual, independently conducted auditor’s report to measure management efficiency. For the CSD, management to staff ratios are reasonably low, and employee turnover is virtually non-existent; however, there are no mandatory standards for determining appropriate levels of reserves. The CSD should adopt a policy regarding the review and update of policies on retention and use of reserve funds. An annual, independently conducted auditor’s report is utilized by the City of San Diego to assess management efficiency. The City has no mandatory standards for determining appropriate levels of

reserves and, therefore, should adopt a policy regarding the review and update of policies on retention and use of reserve funds.

Determinations 9.0-9.5: Local Accountability and Governance

Local accountability and governance refers to an agency's decision-making as well as operational and management processes. All three agencies under review (Olivenhain MWD, Rancho Santa Fe CSD, and the City of San Diego) comply with all mandated requirements for public meetings, and limit activity to services authorized by State Law.

▪ SPHERE RECOMMENDATIONS

The North Central San Diego County MSR/SOI Update Study contains an evaluation of proposed sphere changes and recommendations involving four local agencies: Olivenhain MWD, Rancho Santa Fe CSD, City of San Diego, and Santa Fe ID. Complete descriptions of the sphere review, proposed sphere changes, and the written Statements of Determinations are included in the North Central San Diego County MSR/SOI Update Report. In addition, the written Statements of Determinations have been provided as an attachment to this Executive Summary. A synopsis of the proposed sphere changes follows:

➤ OLIVENHAIN MWD

While the Olivenhain MWD encompasses around 30,947 acres, its adopted water sphere is smaller than the District by about 36 net acres. The less-than-agency sphere resulted from having 226± acres of district territory not needing service because it is located in the San Elijo Lagoon. However, the existing sphere also includes five areas outside the District totaling approximately 190 acres. Three of the those areas currently are undeveloped and two are developed with residential/commercial uses.

Additionally, the Olivenhain MWD provides sewer service to about 5,304 acres that had been the service areas of the dissolved Rancho Cielo and 4S Ranch Sanitation Districts. Approximately 1,740 acres in the vicinity of the Rancho Cielo area currently are outside of the authorized sewer service area, but have been included in the sewer service sphere.

The Olivenhain MWD evaluated and considered several geographic areas for possible inclusion in either the water or sewer service sphere, or both. As a consequence of this review: (1) a sphere overlap area with Vallecitos WD is proposed for removal from the Olivenhain MWD sphere; (2) the Fairbanks Ranch Country Club is proposed for designation as a Special Study Area; (3) the proposed Del Norte High School site is proposed for inclusion in both the water and sewer service spheres; and (4) three areas – Cielo del Norte, Santaluz, and East Clusters – are recommended for inclusion in the sewer service sphere.

Based on the submittal of a comment letter during the environmental review period, the Commission also should consider and determine the status of 17.75 acres that are the subject of a tentative map. Although included in the MSR/SOI Update Study boundary, the property was not an “Area of Consideration.” At this time, TM and related environmental review have not been approved, and the proposal has not yet been submitted to LAFCO. The property owner’s consultant (The MacKenzie Group) requested that the area be placed in the sewer service sphere to allow future annexation and service provision to a portion of the eight-lot subdivision. Nearly half of the proposed development area will utilize septic systems, but public sewer is required for the remainder.

There appear to be two options available to address this matter. The Commission could designate this as a Special Study Area and make a sphere determination when the project requires annexation for sewer service. The second option would be to recognize that the property was in the study area, and a letter requesting inclusion in Olivenhain MWD’s sewer service sphere was filed prior to approval of the MSR/SOI Update Study. With these facts acknowledged and the size of the territory (less than 20 acres), the project could then be eligible to qualify for a waiver to the policy discouraging sphere changes within 5 years of an update. The potential sphere change would then be processed as a “minor” sphere amendment.

A description of the Olivenhain MWD’s proposed water and sewer sphere changes follows.

Water Service – Proposed Sphere of Influence Reduction

An undeveloped area containing approximately 64 acres located in the southern portion of the City of San Marcos and the Vallecitos WD currently is in both the Olivenhain MWD and the Vallecitos WD spheres of influence. While included in the Olivenhain MWD sphere, the property is not in the Olivenhain MWD service area for water or sewer. Although Vallecitos WD is not a primary agency involved in the North Central San Diego County MSR/SOI Update Study, this overlap area should be resolved as part of the MSR/SOI Update. The sphere overlap appears to be a mapping error dating back to 1994.

LAFCO staff recommends that this sphere overlap area be removed from the Olivenhain MWD sphere, which will result in the District’s northern sphere becoming coterminous with the jurisdictional boundary. Leaving the overlap area in the Vallecitos WD’s sphere will rectify the mapping error.

Water Service – Proposed Sphere of Influence Expansion

Fairbanks Ranch Country Club: The entire Fairbanks Ranch Country Club (FRCC) community encompasses about 374 acres and is in the City of San Diego and its adopted sphere of influence. Seventy acres of the FRCC site also are in the Olivenhain MWD resulting in an overlap of territory, which is located in both the City and the District and both spheres of influence; the remaining 304 acres lie outside the district boundary (refer to Map 3). It is proposed that Olivenhain MWD remain as the water

service provider to that portion of the Country Club located in the District, and continue a temporary agreement for water service to the 304 acres located outside of the MWD boundary.

Negotiations currently are underway for a contract between Olivenhain MWD and the City to provide recycled water. Under the agreement, the District would deliver recycled water to the portion of the golf course outside the district's boundary. The City will continue to provide sewer service to the entire site. Based on concerns expressed by the FRCC, Olivenhain MWD staff believes that a Special Study Area should be designated for the 304-acre portion of the Country Club currently located outside the District.

LAFCO staff is recommending that the 304-acre portion of the Fairbanks Ranch Country Club site located outside the Olivenhain MWD and its sphere be designated as a Special Study Area.

Water and Sewer Service – Proposed Sphere of Influence Expansion

LAFCO staff proposes that one area of approximately 21 acres – the Poway High School – be included in both the District's water and sewer service spheres.

Poway – Del Norte High School: Approximately 21 acres of the proposed high school site already are in the Olivenhain MWD for both water and sewer services. However, the site consists of about 39 additional acres located in the City of San Diego that are outside the MWD (refer to Maps 3 & 4). The City of San Diego, Olivenhain MWD, and the Poway Unified School District have determined that Olivenhain MWD should permanently provide both water and sewer services to the territory.

LAFCO staff believes that the District's water and sewer service spheres should be expanded to include the additional acreage. Therefore, LAFCO staff is recommending that the Olivenhain MWD water and sewer service spheres of influence be expanded to include the entire Del Norte High School site.

Sewer Service – Proposed Sphere of Influence Expansion

Olivenhain MWD has proposed that one area totaling approximately 203 acres be included in the sewer service sphere of influence.

Cielo del Norte: The Cielo del Norte development consists of three parcels encompassing a 233.4-acre area that is proposed for development with a total of 128 housing units (refer to Map 4). The entire Cielo del Norte development is currently in the Olivenhain MWD water service area and sphere; however, one parcel is not in the existing sewer service area and sphere. Expanding the sewer service sphere to include the 203.5-acre parcel would place the entire development in a single agency's sphere of influence. The District has requested this expansion; LAFCO staff concurs.

LAFCO staff recommends that the Olivenhain MWD sewer service sphere of influence be expanded to include all of the proposed Cielo del Norte development.

As described below, the sewer service sphere for Olivenhain MWD should be expanded to accommodate two contractual service agreements.

East Cluster: Black Mountain Ranch-Phase II is a planned community in the northern portion of the City of San Diego. The East Cluster sub-area contains approximately 589 acres as shown on Map 4, and includes single-family residences on large lots. The City is scheduled to provide water service. LAFCO staff has concluded that the Olivenhain MWD's sewer service sphere should be expanded to cover a contractual agreement whereby the District will provide sewer service to the site.

LAFCO staff is recommending that the Olivenhain MWD sewer service sphere be expanded to include the East Cluster section of the Black Mountain Ranch-Phase II development.

Santaluz Affordable Housing: Black Mountain Ranch-Phase I is a planned community located in the northern portion of the City of San Diego. The Santaluz Affordable Housing sub-area contains approximately 17.6 acres outside of the Olivenhain MWD service area and both water and sewer spheres (refer to Map 4). Olivenhain MWD is currently under contract to provide water and sewer services on a temporary basis, with the City slated to assume provision of water service in 10 years. LAFCO staff believes that the Olivenhain MWD's sewer service sphere should be amended to include the area covered by the contractual agreement.

LAFCO staff recommends that the District's sewer service sphere be expanded to include the Santaluz Affordable Housing development.

Water and Sewer Spheres of Influence – No Change Proposed

Described below is an area that was examined for possible inclusion in the Olivenhain MWD sphere, but was eliminated from consideration at the request of the property owner's consultant. The consultant stated that the original request that Olivenhain MWD provide services had been withdrawn because the developer has determined that private septic systems will be installed.

Oak Rose: The area that previously had requested service consisted of a 21.6-acre portion of a development totaling 39 acres. Proposed development included approximately nine estate residential homes.

LAFCO staff concurs with the consultant and property owner's request and recommends that the Oak Rose development be excluded from the Olivenhain MWD sphere of influence.

➤ **RANCHO SANTA FE CSD**

The existing service area for the Rancho Santa Fe CSD encompasses approximately 10,348 acres. The District's adopted sphere of influence includes its entire service area and approximately 1,500 additional acres located southeast of the Del Dios Highway. While Rancho Santa Fe CSD examined eight areas for possible inclusion in its sphere, only two areas are proposed to be included at this time (refer to Map 5).

Sphere of Influence – Proposed Expansion

The two areas proposed for inclusion in the Rancho Santa Fe CSD sphere total approximately 140 acres, and are identified as:

Santa Fe Hills: The Santa Fe Hills development consists of about 120 acres proposed for development with approximately 98 estate residential homes (refer to Map 5). Rancho Santa Fe CSD has indicated that sufficient sewer capacity is available to serve the proposed development and has requested an expansion of the sphere to include this area.

LAFCO staff concurs with the District's request and recommends that the sphere be expanded to include the Santa Fe Hills area.

Horseman's Valley: The Horseman's Valley area consists of approximately 20 acres and contains an estimated 17 residential parcels (refer to Map 5). The area borders the Rancho Santa Fe CSD sphere boundary on the east and is currently served by an existing sewer line. Sufficient sewer capacity is available to serve this area via a contract with the San Elijo Joint Powers Authority.

LAFCO staff recommends that the CSD sphere be expanded to include the Horseman's Valley area.

Sphere of Influence – No Change Proposed

The following area was examined for retention in the Rancho Santa Fe CSD's sphere of influence. It is important to note that inclusion within an agency's sphere does not mean that the area automatically will be annexed; an adopted sphere is only one of several factors that San Diego LAFCO considers during the annexation process.

Rancho Serena: The Rancho Serena property consists of 17 residential parcels. Eleven parcels already have been annexed to the District, and the remaining six total approximately 5.74 acres. All of the area is located in the Rancho Santa Fe CSD sphere. Sufficient sewer capacity is available to serve the remainder parcels from an existing district sewer line in Rancho Serena Road.

LAFCO staff recommends that the Rancho Serena area remain in the Rancho Santa Fe CSD sphere.

Based on the outcome of the analysis contained in the MSR/SOI Update Study, neither LAFCO staff nor the Rancho Santa Fe CSD is proposing inclusion of the following three areas in the District's sphere.

Open Space Parcel 264-510-11: The open space parcel consists of approximately 10 acres, is currently vacant, and is owned by the Escondido Creek Conservancy. There are no plans to develop this parcel, and the landowner has requested that the property remain outside of the Rancho Santa Fe CSD sphere of influence.

LAFCO staff concurs with the landowner request and recommends that the Open Space Parcel not be included in the sphere.

La Bajada Bridge: The La Bajada Bridge sub-area consists of about 34 acres that currently are developed with 24 units. Even though the area is not in the City of Encinitas, the area receives sewer service via a contractual agreement with the City. Neither LAFCO staff nor the Rancho Santa Fe CSD is proposing inclusion of this area in the District's sphere.

LAFCO staff recommends that the La Bajada Bridge area not be included in the sphere.

Stone Bridge: The Stone Bridge sub-area consists of 25 developed residential parcels encompassing about 94 acres. When the Rancho Santa Fe CSD was formed in 1982, the property was inside the district boundary, but was not included in the sphere of influence that LAFCO adopted in 1983 because the Cardiff Sanitation District could serve the site more efficiently. In 2001, the Cardiff Sanitation District was dissolved, and the City of Encinitas became the successor agency for sewer service provision. Although not in the city limits, the property currently is receiving service by contract from Encinitas by way of the Cardiff Sanitary Division.

LAFCO staff recommends that the Stone Bridge area be excluded from the Rancho Santa Fe CSD sphere to conform to the current service relationship with Encinitas. The Rancho Santa Fe CSD supports this recommendation.

Sphere of Influence – Special Study Area Designation

Finally, two areas examined for possible inclusion in the Rancho Santa Fe CSD sphere currently are proposed for designation as Special Study Areas. Based on concerns raised by the District regarding capacity, LAFCO staff has not recommended inclusion of these areas in the sphere at this time. Further studies are necessary in order to determine the feasibility of service provision by the CSD; therefore, LAFCO staff is recommending that the areas be designated as Special Study Areas until further studies have been conducted.

Sun Valley: The Sun Valley area consists of approximately 284 parcels covering a 496.09-acre area (Map 5), which has had a history of septic system failures during wet winter periods. Accordingly, annexation to a public sewer service provider may be

necessary in the future. Currently, there is insufficient information about the area and the ability of the CSD to extend service at this time.

Since further study is necessary before a determination can be made regarding the District's ability to provide service, LAFCO staff recommends a Special Study Area designation for the Sun Valley area.

Bridges Project, TM No. 5239 RPL2 - Unit 7: The Bridges property consists of approximately 94 acres proposed for development with 30± residences (refer to Map 5). Neither LAFCO staff nor the Rancho Santa Fe CSD is proposing inclusion of this area in the District's sphere at this time. While the potential future service provider for this area could be either the CSD or the City of Encinitas, neither agency has demonstrated the ability to serve the site. Therefore, further study is necessary before it can be determined which agency would be the most logical service provider and thus in which agency's sphere this area should be placed.

LAFCO staff recommends a Special Study Area Designation for the Bridges Project area.

➤ **CITY OF SAN DIEGO**

The City of San Diego considered and examined seven areas located in the MSR/SOI Update Study area for the possible future provision of water and sewer service. Upon completion of the evaluation, the City proposed no sphere of influence changes. Therefore, the City's partial sphere located in the North Central MSR/SOI Update Study area can be affirmed. The City and the Olivenhain MWD have numerous existing contractual service agreements that pertain to the provision of water and sewer services in four of the seven areas examined; these already have been described in the Olivenhain MWD section of this report.

Sphere of Influence – Affirmation

The other three areas located in the MSR/SOI Update Study area that the City considered for future service will remain in the sphere. Neither LAFCO nor City staff has proposed any changes for the following areas at this time:

Flower Hill: Approximately two-thirds of Flower Hill is in the City of San Diego with the remainder unincorporated. The entire area contains approximately 477 acres, and has a variety of land uses including rural residential, single-family residential, multi-family residential, low-rise office/professional, store-front commercial, health care, open space, landscaped open space, golf course, residential recreation, agricultural, and vacant land (refer to Map 6). Currently, the City provides sewer service to its residents, with the remainder of developed unincorporated property using septic systems. Although the Rancho Santa Fe CSD sphere borders portions of the area, topography and other geographic constraints make the City the most appropriate service provider. Even though the City has capacity available to provide sewer service, city staff indicated the need to further investigate the feasibility of sewer service provision in this area.

LAFCO staff recommends that the incorporated portion of the Flower Hill area remain in the City of San Diego's sphere.

Camelot: The Camelot sub-area is located in the southeastern part of the MSR/SOI Study Area and encompasses approximately 68 acres in the Black Mountain Ranch Community (refer to Map 6). The project area currently is designated for field crops but is proposed for future development with up to 300 homes. When public services are needed, the City of San Diego and the Olivenhain MWD will need to cooperate in determining which agency is the most logical service provider.

LAFCO staff recommends that the Camelot area remain in the City's sphere.

Poway Middle School: The proposed Poway Middle School site contains roughly 30 acres located in the City of San Diego (refer to Map 6). The City and the Olivenhain MWD will need to cooperate in determining which agency is the most logical service provider when service is deemed necessary.

LAFCO staff recommends that the Poway Middle School site remain in the City's sphere.

➤ **SANTA FE IRRIGATION DISTRICT**

While Santa Fe ID was not reviewed in conjunction with the North Central San Diego County MSR and SOI Update Study, an area east of Aliso Canyon Road overlaps the MSR/SOI Study Area boundary and includes a special study area designation dating back to 1983 (refer to Map 7).

Sphere of Influence – Removal of Special Study Area Designation

In 1983, the territory located at the Santa Fe ID's northeastern corner was designated as a Special Study Area because the area also was in the Olivenhain MWD. At that time, Santa Fe ID provided water to one residence while Olivenhain provided no service to the area at all. The original designation was supported by both districts to facilitate a reorganization that would resolve the overlap issue. Since no jurisdictional reorganization has been proposed during the past 20 years, LAFCO staff recommends the removal of the Special Study Area designation. As a result of removing this designation, the Santa Fe ID sphere will become coterminous with the district boundary on the north; the Olivenhain MWD sphere in this area will remain unchanged.

LAFCO staff is recommending that the Special Study Area designation be removed from both the northern section of the Santa Fe ID sphere and the corresponding section of the Olivenhain MWD sphere.

CONCLUSION

To summarize, the recommended sphere changes consist of the following:

- Olivenhain MWD – one proposed reduction to the water service sphere totaling around 64 acres, one proposed expansion of the water service sphere totaling about 21 acres, one proposed Special Study Area designation covering approximately 304 acres, and four proposed expansions of the sewer service sphere totaling approximately 831 acres. In addition, the property represented by the MacKenzie Group should be recognized as having been in the sphere update study area and be subject to a waiver of the LAFCO policy discouraging sphere amendments within five years of a sphere update approval.
- Rancho Santa Fe CSD – two proposed expansions to the sphere totaling approximately 140 acres, and two proposed Special Study Area designations totaling roughly 590 acres located just outside the District’s current sphere.
- City of San Diego – affirmation for that portion of the City’s sphere that falls within the boundary of the North Central San Diego County MSR and SOI Update Study.
- Santa Fe Irrigation District – affirmation of the existing sphere and removal of one Special Study Area designation.

Based on the information evaluated in the North Central San Diego County MSR/SOI Update Study, it is

RECOMMENDED: That the Commission

- (1) Find, in accordance with the Executive Officer’s determination, that pursuant to Section 15306 of the State CEQA Guidelines, the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study is not subject to the environmental impact evaluation process because the service review consists of basic data collection and research that will not result in a disturbance to an environmental resource;
- (2) Certify that the information contained in the Negative Declaration for the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study prepared by the Olivenhain MWD and Rancho Santa Fe CSD has been reviewed and considered;
- (3) Find, in accordance with the Executive Officer’s determination, that pursuant to Section 15061(b)(3) of the State CEQA Guidelines affirming the coterminous partial sphere of influence for the portion of the City of San Diego located in the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study area is not subject to the environmental impact evaluation process because it can be seen with

certainty that there is no possibility for the proposed project to significantly impact the environment, and the activity is not subject to CEQA;

- (4) Find, in accordance with the Executive Officer's determination, that pursuant to Section 15061(b)(3) of the State CEQA Guidelines removing the Special Study Area designation and affirming the remainder of the Santa Fe ID sphere as currently configured is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility for the proposed project to significantly impact the environment, and the activity is not subject to CEQA;
- (5) Accept the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study as proposed by the Olivenhain MWD and Rancho Santa Fe CSD, as attached hereto, and adopt the required Determinations as proposed in Exhibit A;
- (6) Recognize that the property represented by the MacKenzie Group was located in the sphere update study area and grant a waiver to the LAFCO policy discouraging amendments within five years of a sphere update approval;
- (7) Amend or affirm the spheres of influence for Olivenhain MWD, Rancho Santa Fe CSD, City of San Diego, and Santa Fe ID as described in the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study, and adopt the written Statements of Determinations for those agencies as proposed in Exhibit B; and
- (8) For the reasons set forth in the North Central San Diego County Municipal Service Review and Sphere of Influence Update Study adopt the form of resolution approving this Municipal Service Review and Sphere of Influence Update Study.

Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

INGRID E. HANSEN
Chief, Governmental Services

MDO:IEH:jb

List of Attachments:

- Map 1: Water Agencies in the North Central San Diego County Study Area
- Map 2: Sewer Agencies in the North Central San Diego County Study Area
- Map 3: Olivenhain MWD, Areas of Consideration, and Proposed Amendments to the Water Service Sphere of Influence
- Map 4: Olivenhain MWD, Areas of Consideration, and Proposed Amendments to the Sewer Service Sphere of Influence
- Map 5: Rancho Santa Fe CSD, Areas of Consideration, and Proposed Amendments to the Sphere of Influence
- Map 6: City of San Diego, Areas of Consideration, and Proposed Affirmation of a Partial Sphere of Influence
- Map 7: Santa Fe Irrigation District and Proposed Sphere of Influence Change

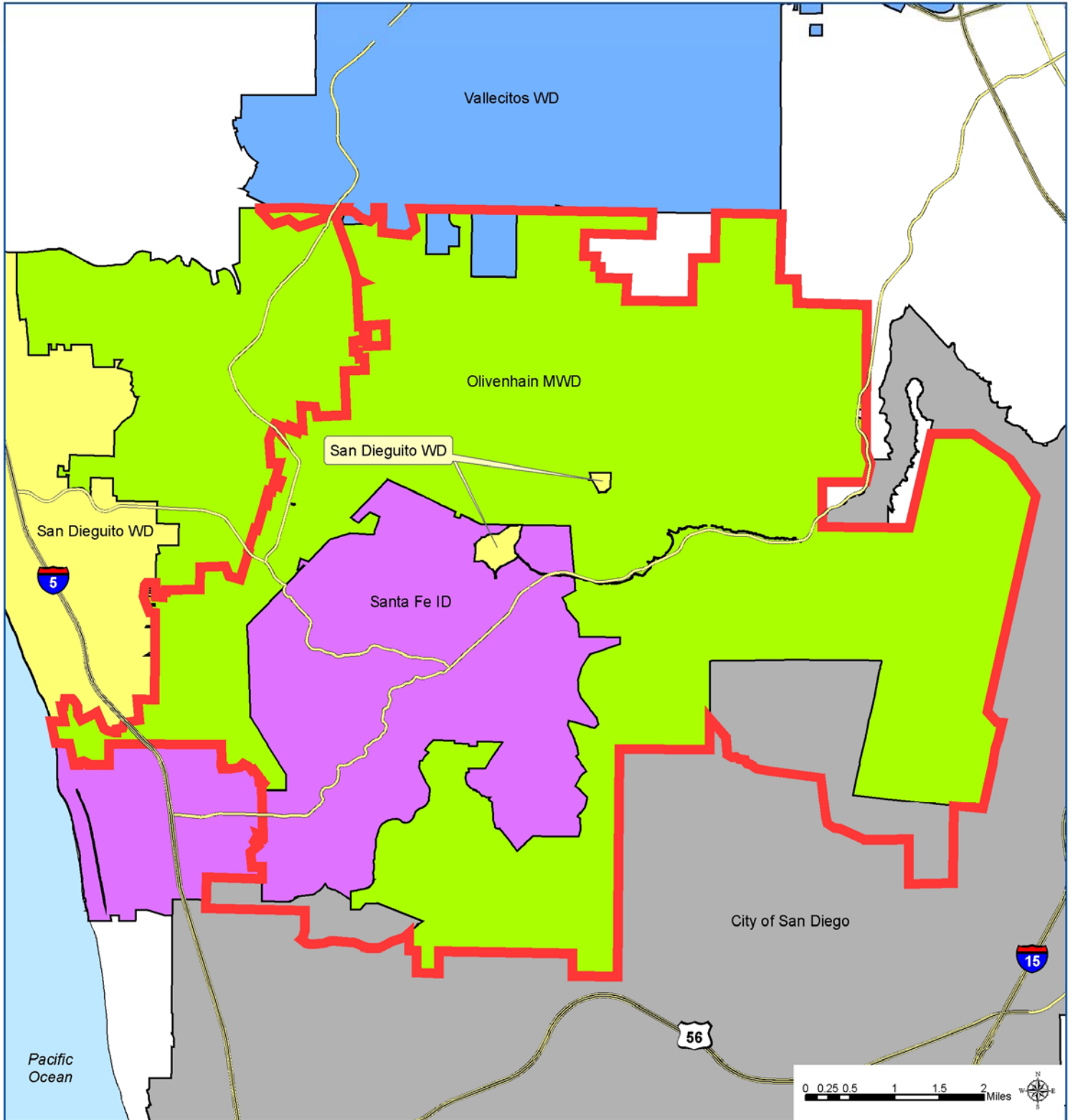
- Exhibit A: Municipal Service Review Determinations
- Exhibit B: Sphere of Influence Written Statements of Determinations

Negative Declaration

Municipal Service Review and Sphere of Influence Update Study

Water Agencies

MAP 1



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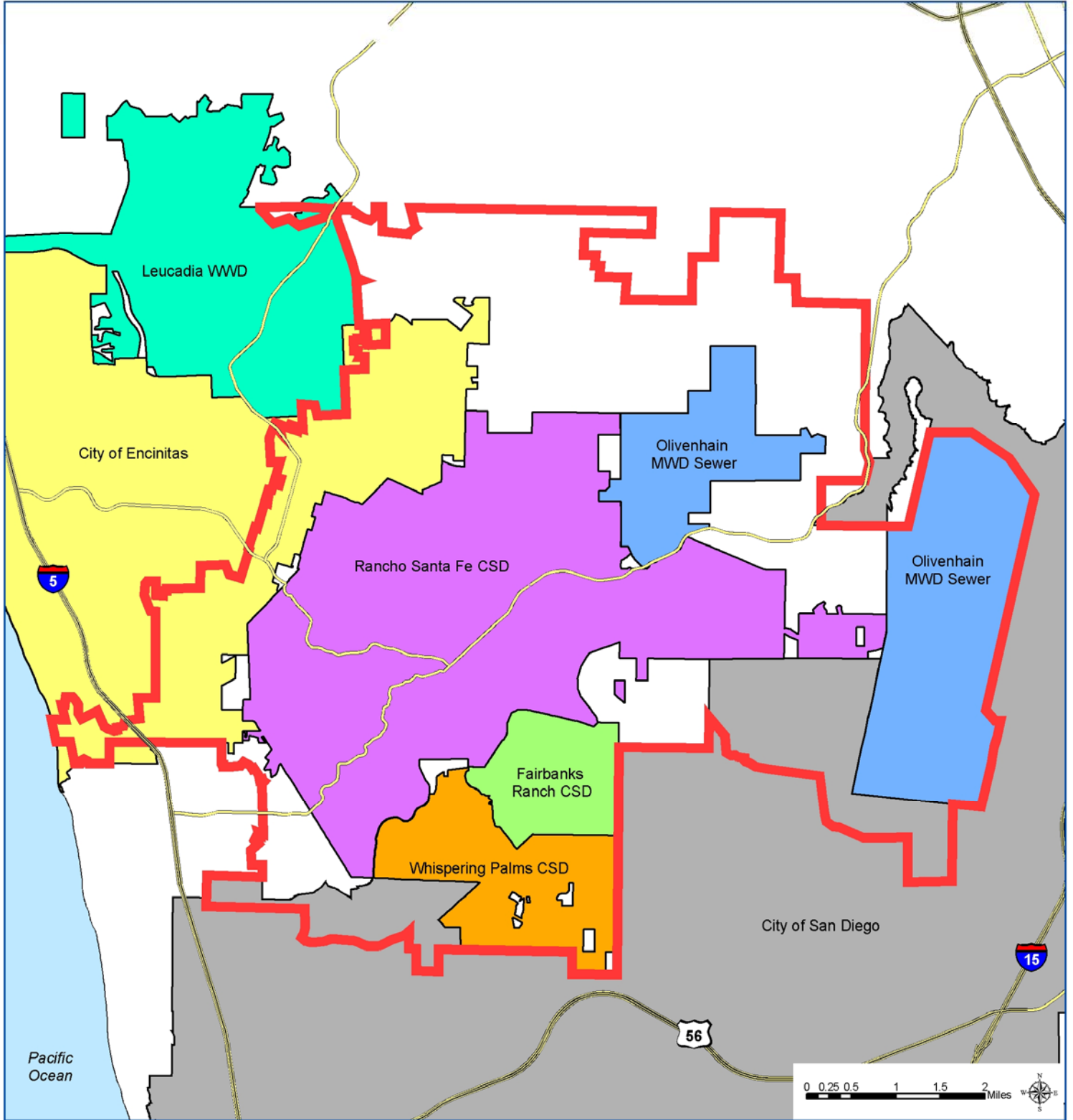
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- Olivenhain MWD
- Vallecitos Water District
- San Dieguito Water District
- Santa Fe Irrigation District
- City of San Diego
- North Central SD County Study Area

Sewer Agencies

MAP 2



SAN DIEGO LAFCO



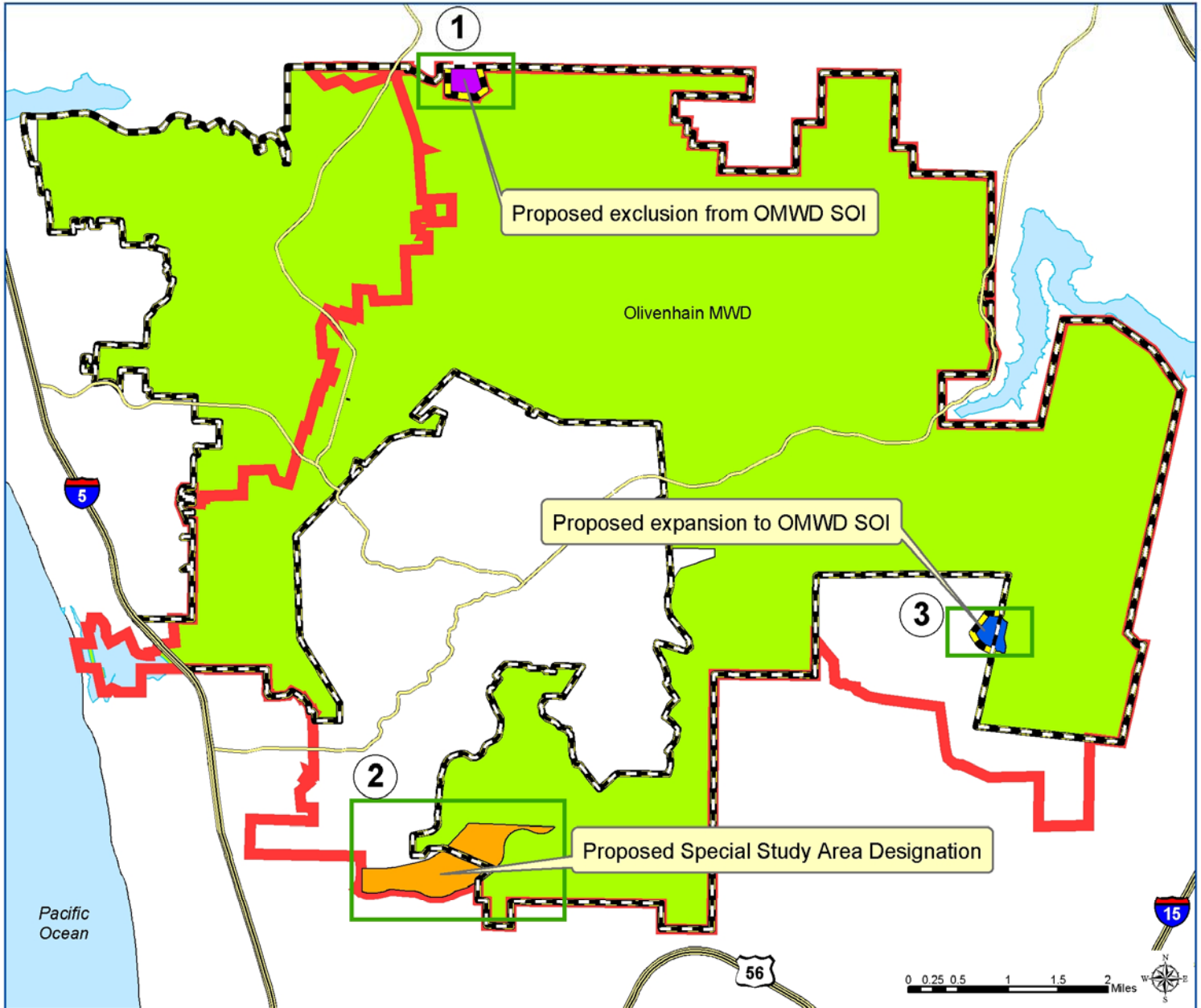
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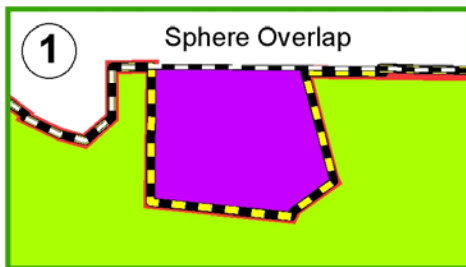
- Rancho Santa Fe CSD
- Whispering Palms CSD
- Fairbanks Ranch CSD
- Leucadia WWD
- Olivenhain MWD Sewer
- City of Encinitas
- City of San Diego
- North Central SD County Study Area

Olivenhain MWD and Areas of Service Consideration Amendments to the Water SOI

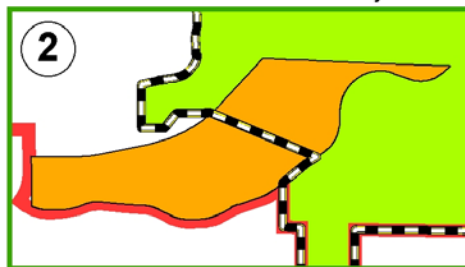
MAP 3



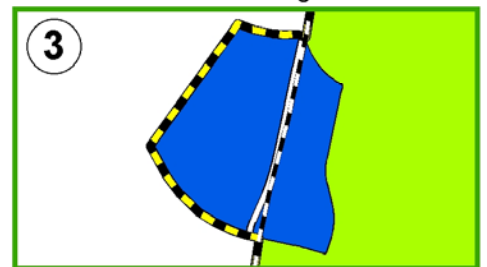
Vallecitos Water District



06-Fairbanks Ranch Country Club



11-Del Norte High School



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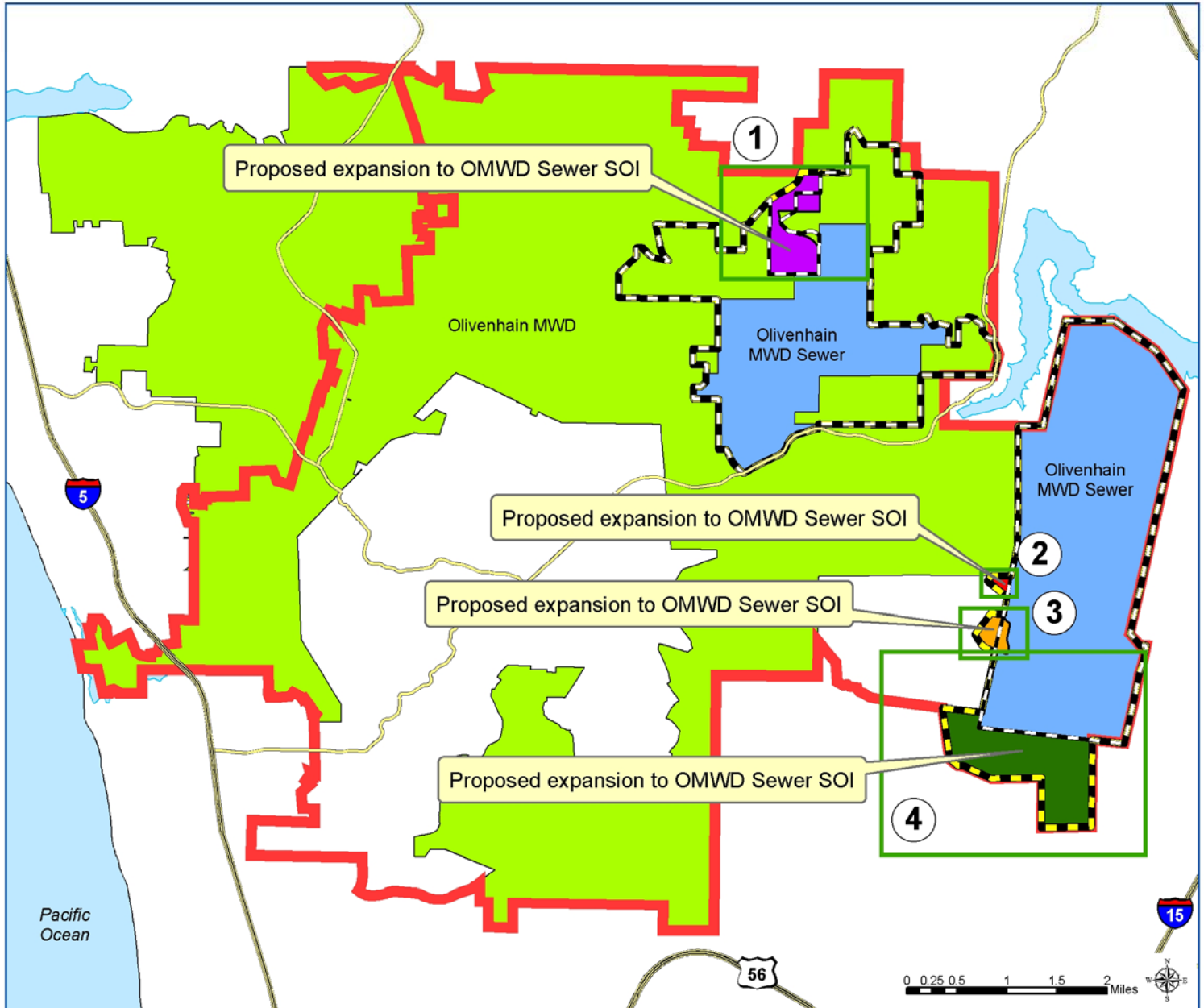
LEGEND

- Olivenhain MWD
- Olivenhain MWD SOI
- Proposed OMWD SOI
- Vallecitos WD Area
- 06-Fairbanks Ranch CC Area
- 11-Del Norte HS Area
- North Central SD County Study Area

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Olivenhain MWD and Areas of Service Consideration Amendments to the Sewer SOI

MAP 4

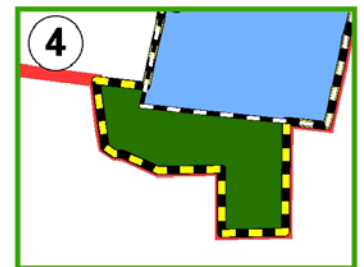
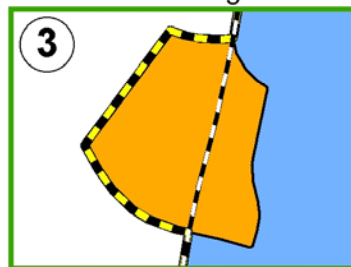
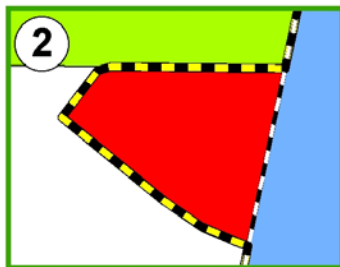
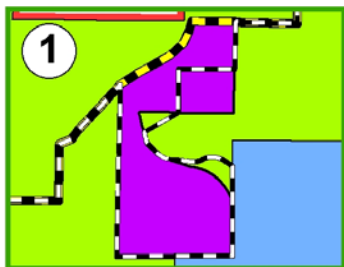


05-Cielo del Norte

01-Santa Luz

11-Del Norte High School

02-East Clusters



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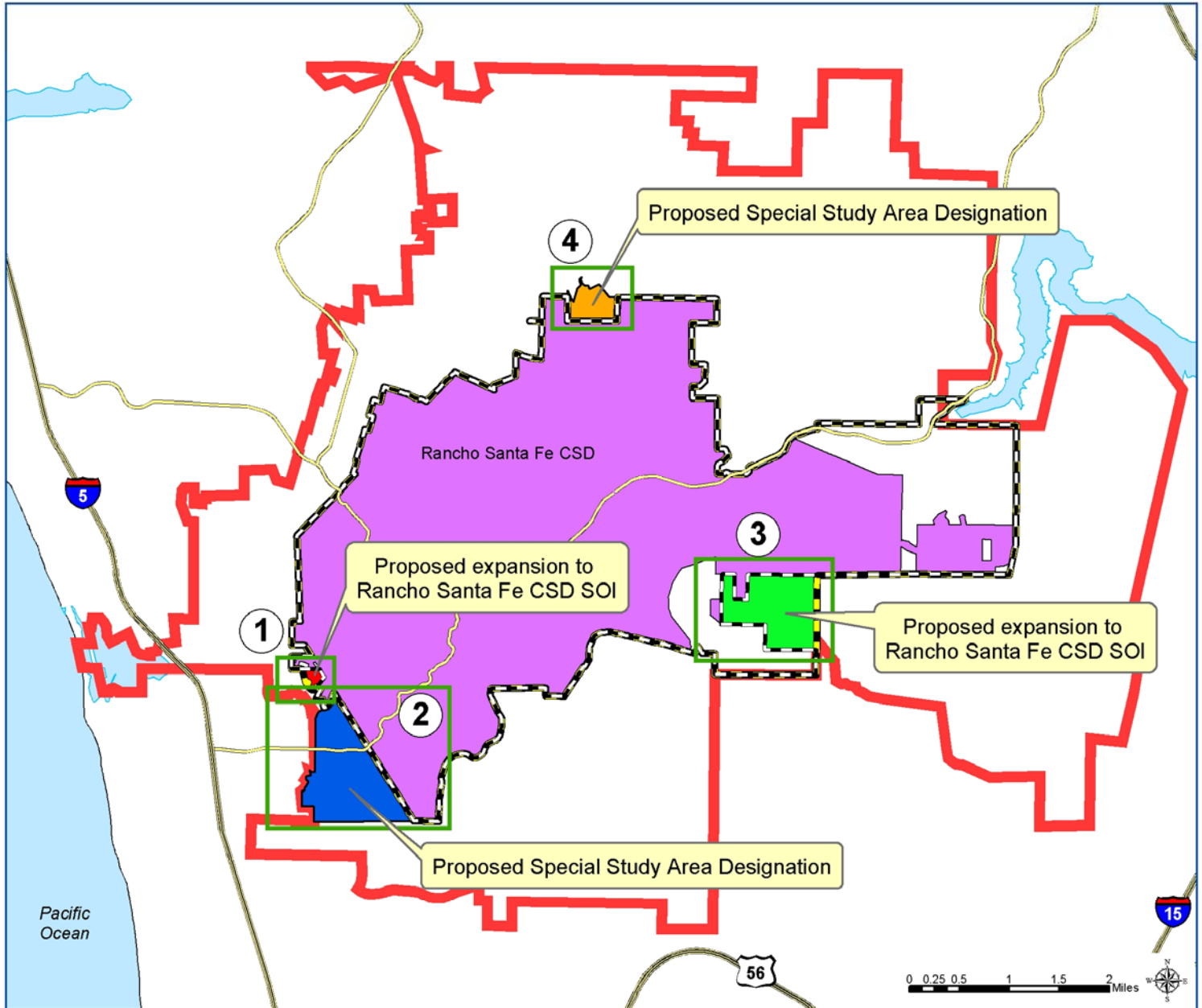
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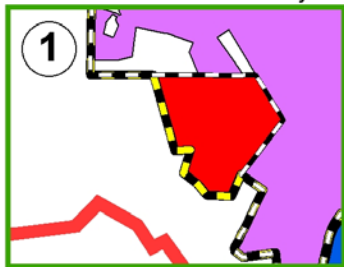
- Olivenhain MWD Sewer
- Olivenhain MWD Sewer SOI
- Proposed OMWD Sewer SOI
- Olivenhain MWD
- North Central SD County Study Area

Rancho Santa Fe CSD and Areas of Service Consideration Amendments to the Rancho Santa Fe CSD SOI

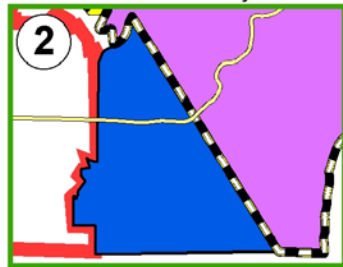
MAP 5



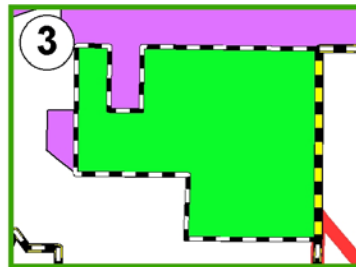
08-Horseman's Valley



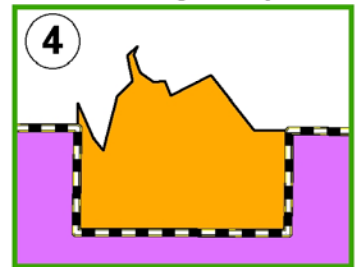
16-Sun Valley



14-Santa Fe Hills



03-Bridges Project



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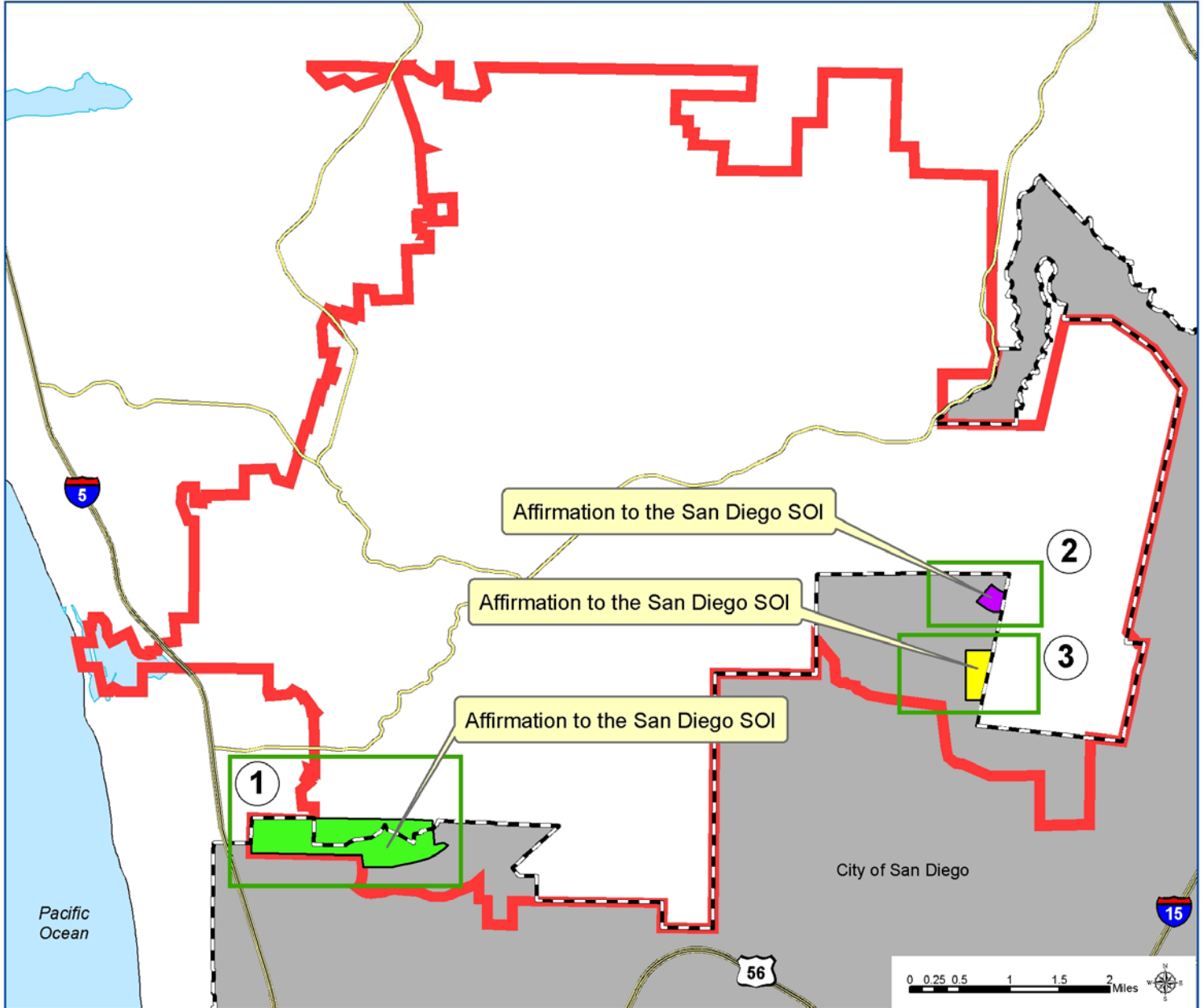
LEGEND

- Rancho Santa Fe CSD
- Rancho Santa Fe CSD SOI
- Proposed Rancho SF CSD SOI
- North Central SD County Study Area

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City of San Diego and Areas of Service Consideration Affirmation of the City of San Diego SOI

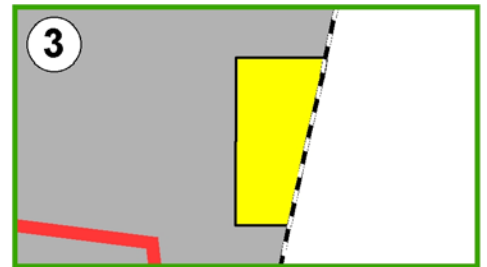
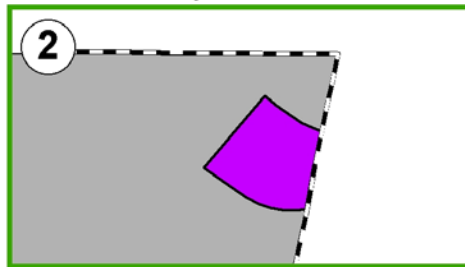
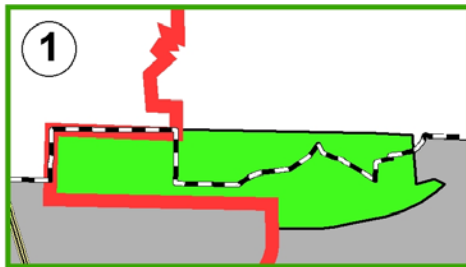
MAP 6



07-Flower Hill

12-Poway Middle School

04-Camelot



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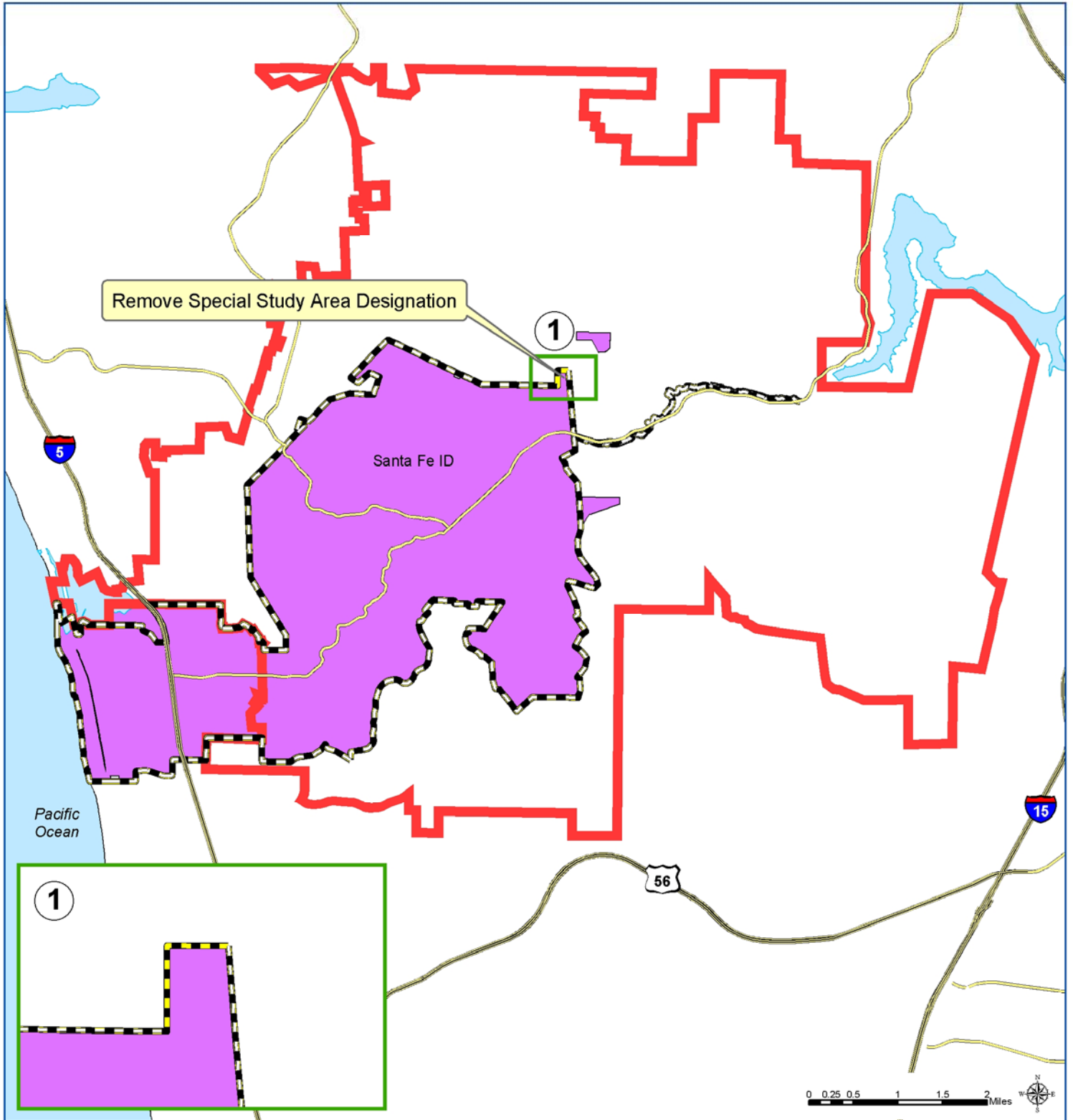
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LEGEND

-  City of San Diego
-  City of San Diego SOI
-  North Central SD County Study Area



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- Santa Fe ID
- Santa Fe ID SOI
- Proposed Santa Fe ID SOI
- North Central SD County Study Area