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TO: Affected Agencies and Interested Parties

FROM: Michael D. Ott, Executive Officer
Local Agency Formation Commission

Subject: Municipal Service Review and Sphere of Influence Update:
County Sanitation Districts

Enclosed is a copy of the draft report, ***Municipal Service Review and Sphere of Influence Update: County Sanitation Districts***. State Law requires that Municipal Service Reviews (MSRs) be conducted prior to or in conjunction with sphere updates for affected cities and special districts. MSRs evaluate the full range of services that a public agency provides and are used by LAFCO to evaluate how well services are provided. The MSR contains detailed information about infrastructure, growth projections, financing, cost avoidance opportunities, government structure options, and management efficiencies. A sphere is defined as a plan for the probable physical boundaries and service area of a local agency. Once adopted, both the MSR and sphere will assist LAFCO in the promotion of efficient service delivery in the region.

Before the enclosed MSR and Sphere Review is scheduled for a public hearing, we would like to obtain comments from interested parties and affected agencies.

The deadline for receiving comments is 30 days from the date of this memorandum. Questions regarding this report and request should be referred to LAFCO's Governmental Consultant George Ream at (619) 531-5400.

Your cooperation with this important LAFCO project is greatly appreciated.



MICHAEL D. OTT
Executive Officer

MDO:tl

Enclosure: MSR and Sphere Review: County Sanitation Districts

Municipal Service Review & Sphere of Influence Update:
County Sanitation Districts

**Report of the
San Diego Local Agency Formation Commission**

January 2007

San Diego Local Agency Formation Commission

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BACKGROUND

Municipal Service Review

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that comprehensive studies, known as Municipal Service Reviews (MSR), be conducted for all cities and special districts that provide municipal services to county residents. The term "municipal services" generally refers to the full range of services that a public agency provides or is authorized to provide. Typical examples include police, fire, sanitation, water supply and sewage disposal services. The primary goal of the MSR is to gather and evaluate information in order to make the following determinations that are required by statute. San Diego LAFCO has developed guidelines for conducting Municipal Service Reviews (Appendix A) and Factors of Analysis (Appendix B) for completing the nine required MSR determinations summarized below:

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options
8. Evaluation of management efficiencies
9. Local accountability and governance

Municipal service reviews are to be conducted before, or in conjunction with updating spheres of influence. A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local agency, and is determined by LAFCO. Characterized as a planning tool, a sphere provides guidance in reviewing individual proposals promotes efficient service provision and prevents duplication of service responsibilities. As a tool for long-range planning, a sphere may be used as one factor in forecasting an agency's future service needs within a geographic area in order to anticipate infrastructure planning and financing.

Responding to revision in State Law, San Diego LAFCO initiated its municipal service review program in 2002 after adopting service review guidelines. The guidelines provide the procedures to fulfill the municipal service review program. In addition to identifying goals and objectives, the Commission's guidelines provide direction in determining geographical boundaries, preparing the report and defining which services and agencies to address. In April 2003, the Commission adopted an implementation policy recommended by the Municipal Services Working Group and the Special Districts Advisory Committee for preparing service reviews. Known as the Strategy for Conducting and Using Municipal Service Reviews, this policy establishes a framework to assist the Commission in MSR preparation (Appendix C). The Commission also adopted a schedule of which regions and corresponding agencies to include in the first

phase of the service review program. The eastern portion of the county is among those areas identified for MSR initial phase review. This MSR specifically addresses dependent County Sanitation Districts under jurisdiction of the San Diego County Board of Supervisors. Water and sanitation services provided by other east county jurisdictions will be addressed later as part of a separate MSR study.

Process

The first task was to determine the geographic area in which to conduct a study that would include the County sanitation districts. County sanitation district's operations are primarily located in the east county area. These districts are: Spring Valley Sanitation District, Lakeside Sanitation District, Alpine Sanitation District, Julian Sanitation District and Pine Valley Sanitation District. A map of each district and watershed setting is included for review in Section II. For the purpose of environmental resource management, watersheds in California have been divided into discrete sub-areas or hydrologic units that are geographically and topographically related. Watersheds are also referred to as drainage basins. Drainage courses are an important consideration in the engineering and design aspects for sewer service systems.

The second task was to identify other agencies that provide similar sanitation services to the eastern unincorporated area, and determine whether they should be included in this analysis or be subjected to further MSR review at a later date. In this instance, the Padre Dam Municipal Water District and Otay Water District provide wastewater collection and treatment services in portions of the study area. In addition, the adjoining cities of National City, Chula Vista, Lemon Grove, La Mesa and El Cajon also provide wastewater services. It has been determined and recommended that more comprehensive MSRs' be conducted for these agencies following completion of the County Sanitation Districts MSR; therefore, they are not included as part of this MSR. Staff review finds there are no significant County sanitation district overlap issues which affect, or will likely affect, these other agencies.

With both the geographic region and services identified, a Request for Information (RFI) was developed. Questions asked of each sanitation district were specific to those services reportedly provided to LAFCO in previous investigations.

A Formal Request for Information was transmitted to the County of San Diego, Department of Public Works (DPW) on April 19, 2004 with a response deadline of June 30, 2004. Due to internal work commitments, DPW requested a four month time extension. The RFI was completed by DPW and returned to LAFCO on November 4, 2004.

Sphere of Influence Requirements

In conjunction with the requirement to conduct Municipal Service Reviews, the Cortese-Knox-Hertzberg Act obligates LAFCO to review and update, as necessary, spheres of influence for each local agency within LAFCO's jurisdiction. Defined as a plan for the

probable physical boundaries and service area of a local government agency, a sphere is considered to be a planning tool that is designed to provide guidance in reviewing proposals, promoting the efficient provision of municipal services, and preventing duplication of service responsibility. In determining a sphere, the Commission is required to consider specific factors and make written determinations related to: (1) present and planned land uses in the area, including agricultural and open space lands; (2) present and probable need for public facilities and services in the area; (3) present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and (4) existence of any social and economic communities of interest in the area. These written determinations are contained in (Appendix D).

Procedures

LAFCO staff, with assistance from its consultant, has followed a three-step approach for this MSR. The first step involved compiling, reviewing, and analyzing the requested data and drafting the initial report. There are two elements of the draft report. Section I is the Data Summary - an extract of information submitted by the affected agencies - which is divided into five distinct segments (one for each responding sanitation district).

When the initial step was completed, the draft report was distributed for review to provide agencies, organizations, and individuals the opportunity to comment on the contents, and make appropriate corrections, if necessary.

The last step involved finalizing the report by including additional information and updating specific facts, formulating the required nine determinations, and presenting the document for Commission deliberation. The goal of the review process is to assess the adequacy of public services in a specific geographic region or area rather than scrutinizing the agencies themselves. However, since municipal services are delivered by public agencies, the review of those entities is unavoidable.

SECTION I: DATA SUMMARY

SAN DIEGO COUNTY SANITATION DISTRICTS

GENERAL INFORMATION

County Sanitation District Enabling Law

The enabling law for county sanitation districts is located within Sections 4700-4859 of the Health and Safety Code. According to these code sections, the governing body of a sanitation district is composed of a board of directors of not less than three members. The makeup of the board may consist of the Board of Supervisors, the legislative body of a city, or other public agency, depending on land area and jurisdictional criteria.

In addition to providing sewage collection, treatment, and disposal, State Law enables county sanitation districts to provide additional services subject to LAFCO approval. These services include, refuse transfer or disposal, street cleaning, water service, etc. After the district has been formed, boundaries may be altered and the following territory may be annexed to the districts:

1. Any territory not in any other sanitation district or district formed for similar purposes;
2. Contiguous or noncontiguous territory;
3. Unincorporated and/or incorporated territory.

County Sanitation Districts Background

The five county sanitation districts covered by this MSR and Sphere of Influence Update Study were formed between 1945 and 1969 to provide wastewater service to various unincorporated areas of San Diego County. These districts are the Spring Valley, Lakeside, Alpine, Julian and Pine Valley sanitation districts. Ideally, decisions about public infrastructure, i.e., roads, water and sewer service should be made in concert with goals of the general plan to achieve consistency concerning the density, timing, and location of growth, and the ability to finance necessary public facilities.

The current general plan for the unincorporated portion of the County served by the five county sanitation districts has not been comprehensively updated since 1979 and has been the subject of substantial piecemeal modifications since that time. During this time period, considerable growth and change has taken place, leading to the incorporation of a number of cities and annexation of lands in unincorporated peripheral areas. The County is nearing completion on a new general plan update – General Plan (GP) 2020.

Today, the unincorporated area of the County comprises of 84 percent of the total land area of San Diego County and is estimated to contain 16 percent of the entire County

population of approximately 2.8 million people. Federal, state and other public lands make-up a significant percentage of the total unincorporated area, and are generally unavailable for development. However, the supply of vacant land available for development appears to be sufficient to accommodate the projected year 2020 population.

According to the San Diego Association of Governments (SANDAG), the population of the entire County is estimated to grow to 3.5 million by the year 2020. The existing population of the unincorporated area (469,000) is projected to grow by 113,000 to approximately 582,000 people in the same period. The County's GP 2020 is intended to form a framework for guiding growth in the unincorporated area. The end result is intended to be a planning document that protects the environment, accommodates population growth, and links growth to the provision of required facilities and services.

In San Diego County, there are seven county sanitation districts. Two of the districts are primarily located within Cities (Vista and Lemon Grove); therefore the governing boards for those districts are the respective city councils. The County Sanitation District MSR and Sphere Update Study will address the remaining five county sanitation districts that serve unincorporated territory. These districts are located in the eastern unincorporated county area, an area that is expected to experience continued growth through the year 2020.

These districts are governed by the San Diego County Board of Supervisors and serve the unincorporated communities of Spring Valley, Lakeside, Alpine, Julian, and Pine Valley. In addition, there are other County wastewater operations not currently subject to LAFCO review. These operations will be summarized in Section II.

The number of county sanitation districts has declined during the past 25 years. During this period San Diego LAFCO dissolved the Cardiff, Solana Beach, Santee, Mt. Woodson Ranch, Rancho Santa Fe, Fairbanks Ranch, Whispering Palms, Rancho Cielo, and 4S Ranch County Sanitation Districts. In 1988, Board of Supervisor jurisdiction over the Lemon Grove County Sanitation District was transferred to the Lemon Grove City Council. The City of Vista assumed administrative duties for Buena Sanitation District in 1993. After formation of the Mt. Woodson Ranch SD in November, 1988, no further sanitation districts have been established in San Diego County.

The Wastewater Management Section of the County Public Works Department (DPW) is responsible for operations and overall administration of the five County sanitation district wastewater systems. Sewage generated within the Julian and Pine Valley sanitation districts is treated locally, while sewage in the Lakeside, Alpine, and Spring Valley districts is conveyed through the City of San Diego's Metropolitan Sewerage System (Metro) by inter-jurisdictional agreement.

The Metro system is owned by the City of San Diego and consists of all elements required for the collection, conveyance and treatment of wastewater generated within its service area. The Metro service area consists of the City of San Diego, plus 15 other cities and districts located within a 450 square mile area. The served population is

estimated at more than 2 million. The Metro system treats approximately 180 million gallons per day (mgd) of wastewater at its Point Loma treatment facility. The facility has a rated capacity of approximately 240 mgd. Treated effluent is discharged into the Pacific Ocean through a 4 mile underwater outfall system. Each county sanitation district served by Metro pays sewage transportation and treatment/disposal charge to the City of San Diego based on the “strength” characteristics of the sewage. The higher strength users (e.g., food establishments) pay a higher per unit charge than a lower strength user (e.g., single family home, apartment).

Three of the County sanitation districts (Spring Valley, Lakeside and Alpine) are Participating Agencies in the Metro system and remain individually responsible for fair share costs of Metro capital, operating and maintenance costs. These costs are normally referred to as “Metro fees”. These agencies also participate on the Metro Commission, which is an advisory body to the San Diego City Council. This provides an opportunity to review and comment on Metro programs and costs that affect individual agency operations. The Commission meets monthly.

Uniform Sewer Ordinance

The County sanitation districts operate under the Uniform Sewer Ordinance (USO). The USO sets forth rules and regulations for operation and maintenance of the sewage collection and treatment systems. Classes of sewer service are categorized by land use type. Provisions for annexation are addressed, along with procedures for obtaining new or modified sewer service. Wastewater Discharge Permits are issued to each customer with approximately 90 percent listed as residential type and 10 percent commercial. Violations are subject to misdemeanor charges.

Fee Ordinances

Each sanitation district has a fee structure that is adopted by separate ordinance. The ordinance includes annual sewer service fees, connection capacity fees (i.e., system buy-in charge) and annexation fees. Annual sewer service fees are collected on the annual County tax rolls, which are paid either once or twice per year. Annexation and capacity fees are collected at the time application is made or when a Wastewater Discharged Permit is issued.

Code of Regulatory Ordinances

Title 6 of the County of San Diego Code of Regulatory Ordinances (Code) specifies conditions and procedures for connection and use of sewage facilities by sanitation district customers. The Code incorporates many, but not all, provisions of the USO. It appears that whenever changes to the USO occur, they may not always be incorporated into the Code in a consistent or timely manner.

Board of Supervisor Policies

The Board of Supervisors has also adopted several “Board Policies” which are intended to provide further guidance to county staff, property owners and developers who utilize, or propose to utilize, sanitation district facilities. These policies address such topics as planning and land use coordination, sewer capacity and availability, small wastewater treatment facilities, sewer connections and financing for replacement/expansion of sanitation district systems. A more complete description of these policies is provided in Section II, Data Analysis.

SECTION II: DATA ANALYSIS

1. *Area and Agency Descriptions*

Spring Valley Sanitation District

The Spring Valley Sanitation District (SVSD) was formed in 1952 and operates and maintains sewage collection and conveyance facilities for the unincorporated communities of Spring Valley, Valle de Oro and Sweetwater. These communities are located east of Highway 125, and north and south of Highway 94. The SVSD is approximately 20 square miles in area, with an estimated population of 85,000 residents (DPW/SANDAG). The SVSD also adjoins the cities of San Diego, La Mesa, Lemon Grove, National City and Chula Vista. Other independent districts providing related services in the area include the Otay Water District (water/sewer), Sweetwater Authority (water) and the Helix Water District (water).

The SVSD has approved interagency agreements which provide shared use and costs for access to SVSD facilities. These agreements are with the cities of San Diego, La Mesa, Lemon Grove, National City, and Chula Vista, and the Otay Water District. The agreements predate current LAFCO review requirements. SVSD facilities - primarily the Spring Valley Outfall Interceptor - are utilized by these agencies to convey wastewater to the Metro System. The SVSD has 10.35 million gallons per day (mgd) of Metro capacity rights. Current annual discharge flows through the SVSD Outfall average about 7.7 mgd (includes existing flows plus service commitments). Therefore, system capacity reserves are available to support future service needs.

As of March 2004, the combined share of daily flow by agencies using the SVSD Outfall totals over 50,000 Equivalent Dwelling Units (EDU). An EDU is the standard measurement system used to establish equivalency for municipal and industrial sewage flows. It equates to the average amount of sewage discharged from a single family dwelling each day (sanitation districts use 240 gallons/day/dwelling unit for project planning and design purposes).

The total daily flow includes discharges from the SVSD (32,000 EDUs), Chula Vista (12,000 EDUs), Lemon Grove (1,500 EDUs), La Mesa (2,700 EDUs), Otay Water District (2,500 EDUs), and the City of San Diego (7,400 EDUs).

In addition to the Outfall, SVSD also operates and maintains 242 miles of sewer collection and transmission facilities, four pump stations and one flow meter-station. The SVSD Outfall connects to Metro near Interstate 5. The outfall is a regional facility and was designed to serve the lower and middle Sweetwater River drainage basins irrespective of local jurisdictional boundaries. SVSD operations are considered adequate to meet current system demands. Facility plans and future system improvements are reviewed further in Section II, (2), Planning for Infrastructure, Facilities and Services.

District Map and Watershed

Figure 1 shows the location and current boundaries of the SVSD and adjoining cities and districts. Figure 2 shows the location of major sewer facilities and portions of the lower Sweetwater River watershed area. As the lowest drainage points in the watershed, creek and river side routes are frequently used in the design of gravity flow sewer systems for reasons of economy and safety. This reduces the frequency of sewer spills over that which may occur more frequently in pressurized systems. The pumping stations which do exist in portions of the system utilize back up generators and “wet wells” to temporarily contain sewage in the event of system failure.

Board of Supervisor Policies

The Board of Supervisors has adopted various policies which apply to the planning and operational activities of the SVSD. Some of these policies also apply to other sanitation districts. These Board policies are summarized below:

1. I-36: Sewer Extensions and Connections in Areas Not Annexed to a Sanitation District

Policy I-36 prohibits extension of sewer lines to areas not located within a sanitation district unless annexation has occurred. Where a public health problem has been determined, application to LAFCO for annexation must occur. A temporary connection agreement (subject to LAFCO approval) can then be issued prior to completion of annexation proceedings.

2. Policy I-48: Sewer Extensions in Areas Not Annexed to a Sanitation District

Policy I-48 requires all sewer extensions within sanitation districts to be accomplished by private contract rather than by County forces. This is due to limited county staffing and availability of private contractors. The policy will be reviewed for continuance by 12-31-10.

3. Policy I-51: Connection to Districts Interceptor Sewers

Policy I-51 is intended to prevent connections to sewer interceptors constructed through undeveloped land which is not planned for urban services. The policy will be reviewed for continuance by 12-31-09.

4. Policy I-78: Small Wastewater Treatment Facilities

Policy I-78 allows for construction of small wastewater treatment facilities under certain conditions. This policy generally applies to certain unincorporated areas where public sewer facilities are unavailable. Since SVSD is considered part of

the Metro System, the policy is not applied in the SVSD area. However, if in the event such a facility was proposed, conformance with I-78 would be required. The policy will be reviewed for continuance by 12-31-10.

5. Policy I-84: Project Facility Availability and Commitment for Public Sewer, Water, School and Fire Services

Policy I-84, with respect to sewer availability, requires the SVSD to issue sewer availability letter for prospective discretionary projects as a condition of County approval. This is to ensure that adequate sewer facilities and capacity will be available at the time it is needed. The policy will be reviewed for continuance by 12-31-10.

6. I-99: Expenditures and Use of Revenue for Replacement and Expansion of Liquid Waste Facilities

Policy I-99 defines requirements for establishing district reserves, and funding for replacement and expansion of sewerage systems and facilities within the County sanitation districts. The policy was to be reviewed for continuance in 2003 but, to date, this review has not occurred.

7. Policy I-107: Policy on Long-Term Availability of Sewer Services to Certain Portions of East County

This policy is designed to regulate connections to the Rancho San Diego Sewer Interceptor which is jointly shared by SVSD and the Otay Water District. It restricts new connections to areas within the (existing) County General Plan Urban Limit Line and restricts use by other districts (e.g., Otay Water District) to LAFCO approved service areas. Exceptions to the policy are provided for sewer service needed to protect health and safety (e.g., septic failures). This policy was scheduled for continuance review by 12-31-96. To date this review has not occurred.

Several of these policies have a beneficial impact on past planning activity, and will likely continue to serve a supporting role in development of GP 2020. Improved coordination is achieved between wastewater facility planning and land use planning because the Board of Supervisors is the decision making body for the sanitation districts as well as for the County's planning program. This relationship provides better integration between planning and the delivery of services in conformance with GP 2020 goals.

Sewer Service Charges

In 2004, the Board of Supervisors approved a four percent (4%) sewer service charge increase for SVSD customers to be collected over a five year period. This is the first

approved rate increase since 1997. As of July 1, 2005, the annual sewer service charge is \$299 per EDU which is collected on the County tax rolls. The connection capacity (“buy-in”) fee is \$2,000 per EDU and the annexation fee is \$1,000 per EDU. As part of the rate adjustment process the annexation fee (for all districts) was changed from an acreage based fee to an EDU based fee.

This rate compares to averages of \$251 charged by the Otay Water District, \$345 by the Padre Dam MWD, \$268 by the City of Chula Vista, and approximately \$310 by the City of San Diego. The objective of rate review and adjustment is to ensure financial stability to enable continuation of wastewater collection and disposal operations, avoid potential sewage spills, system outages and related water quality or public health problems.

Community Planning Areas

The SVSD provides sewer service to portions of three County community planning areas (CPA): Spring Valley (11 sq. mi.), Valle De Oro (19 sq. mi.) and Sweetwater (12 sq. mi.). These areas are of an urban/suburban nature, and most require access to sewer collection facilities. The CPA’s are generally larger in area than the actual SVSD boundary. This can result in slightly different population estimates between CPA’s and the District. Each CPA is represented by an elected planning group. The Valle De Oro and Spring Valley Planning Groups meet twice per month; Sweetwater meets once per month. These groups provide advice to the Board of Supervisors and Planning Commission on land use planning matters. They are frequently utilized by other agencies (including LAFCO) who seek community input on projects or proposals which may affect their areas. Figure 3 shows the boundaries of the three CPA’s.

General Plan 2020 - Community Planning Area Goals

Spring Valley

Spring Valley is planned to grow from its existing population of approximately 60,600 to a GP 2020 projected goal of 67,000.

Sweetwater

The Sweetwater area is planned to grow from its existing population of approximately 13,000 to a GP 2020 projected goal of 15,500.

Valle de Oro

The Valle de Oro is planned to grow from its existing population of approximately 42,000 to a GP 2020 projected goal of 45,000.

Figure 4A, 4B and 4C shows proposed General Plan 2020 land uses for the SVSD area.

Service Implications for the Spring Valley Sanitation District

As previously noted, the SVSD provides sewer service to portions of these three CPA's. The CPA population forecasts include communities that are suburban/semi-rural, and not planned for sewer service. Therefore, SVSD uses CPA forecast as a guide for planning future capital projects, but must also supplement that information with additional district level analysis. SVSD has recently completed a Facility Plan Study to determine future system needs and requirements to ensure the District will have sufficient facilities available and operational to safely dispose of future wastewater flows.

The Facility Study projects the ultimate capacity required for SVSD planning purposes (beyond 2020) will be approximately 33,500 EDUs or about 3,000 EDUs more than in 2005 (this does not include EDUs assigned for commercial or industrial purposes). This equates to an increased population of about 8,000 for an estimated total population of 93,000 by 2020 or beyond. Approximately 700,000 gallons per day of additional wastewater flow will be generated over the next 20 – 30 years as a result of this growth. This amount appears to be well within SVSD's remaining Metro capacity rights. The Facility Study and SVSD capital improvement plans will be discussed further in Section II (2), Planning for Infrastructure, Facilities and Services.

Lakeside Sanitation District

The Lakeside Sanitation District was formed in 1955 and operates and maintains the public sewer system for the unincorporated community of Lakeside. Lakeside SD is located east of Highway 67 and north of Interstate 8, approximately 21 miles east of the City of San Diego within the Upper San Diego River Basin. Currently, the District consists of 7.9 square miles (5,075 acres) with approximately 13,200 EDU accounts (plus additional committed capacity purchases). Residential uses are estimated at 10,500 EDUs and 2,700 commercial EDUs. Based on SANDAG's population estimate of 2.9 persons per household in the Lakeside CPA, the estimated population of Lakeside SD is about 30,500. The limits of the District are generally defined by the Upper San Diego River to the north, the Winter Gardens Sewer Maintenance District and the cities of El Cajon and Santee to the south and west and the El Monte/Lake Jennings/Dunbar Lane areas to the east.

Originally, the Lakeside SD included a wastewater treatment plant and discharge system. When constructed in 1959, the treatment plant discharged treated effluent into percolation ponds that eventually migrated into the San Diego River. Continued growth within the Lakeside area and nearby Alpine Sanitation District (which also had a small treatment plant) necessitated regular treatment plant expansions and upgrades.

Eventually, the Regional Water Quality Control Board issued a cease and desist order to the Lakeside and Alpine districts in order to prevent potential degradation of the San Diego River and Alpine Creek. Based on a financial assessment of treatment plant upgrade requirements, the District determined that a more cost effective option would be construction of a new gravity trunk sewer system to allow conveyance of the combined

flows from Alpine and Lakeside into the City Metro System. As a result, the Alpine-Lakeside Interceptor Sewer System was designed and constructed.

This system consisted of two components: 1) construction of a sewer interceptor connection between Alpine and Lakeside (approximately 7 mi.), and 2) construction of the Lakeside Interceptor from the former treatment plant site, near the intersection of Woodside Avenue and Riverford Road, to the City of San Diego's East Mission Gorge Interceptor – a distance of approximately 3 miles. From the Mission Gorge area, sewage flows several miles further west within the Metro system to the Point Loma Plant for treatment and ocean disposal. The District has 4.1 mgd of Metro capacity rights. Current annual discharge flows average 2.5 mgd.

The majority of the collection system consists of 8" diameter pipe. The largest collection trunk sewer is 33" in diameter before it connects to the Metro system. The connection to the Metro system is 400' west of the intersection of Fanita Road and Mission Gorge Road. Lakeside, Alpine SD and the Padre Dam MWD maintain an interconnection agreement and share a common Metro connection in this area. The Lakeside SD also has two pump stations, the Wood Creek Pump Station located at 15935 Spring Oak Road and the Morena Avenue Pump Station located at 10955 Morena Avenue (presently not in use). Overall, the District maintains 73 miles of sewer collection and transmission facilities.

The current number of EDUs generated in the Lakeside SD, including other jurisdictions that maintain connection agreements with Lakeside, is approximately 13,300. The district also has 253 EDUs reserved for potential customers (e.g., High Meadow Ranch). Lakeside SD operations are considered adequate to meet current system demands. Facility plans and future system improvements are reviewed further in Section II (2), Planning for Infrastructure, Facilities and Services.

District Map and Watershed

Figure 5 shows the location and current boundaries of the Lakeside SD, and adjoining agencies. Figure 6 shows the location of major sewer facilities and portions of the San Diego River watershed area.

East Mission Gorge Interceptor

The City of San Diego's East Mission Gorge Interceptor Sewer (not a part of Metro) is used by Alpine, Lakeside, Wintergardens, El Cajon and the Padre Dam MWD to convey wastewater to the Metro System. In March 2005, an amendment to the Sewage Disposal Agreement between the Alpine and Lakeside Sanitation Districts, and the City of San Diego, was approved. This Agreement provides for a combined district fair share reimbursement of \$3,471,000 towards East Mission Gorge Interceptor upgrades.

The sewer upgrades were financed by the City of San Diego and will allow for continued and expanded use of the Interceptor to meet future needs. The amended agreement also

permits the Lakeside SD to remove a Flow Equalization Facility which was previously constructed to help reduce peak sewage flows from Alpine and Lakeside (See Policy I-106 below).

Board of Supervisor Policies

The following Board of Supervisor Policies, previously summarized in the SVSD section, is also applicable to the Lakeside SD:

I-36, I-48, I-51, I-78, I-84 and I-99.

I-106: Establishment of Priorities for Limited Sewer Capacity in the Mission Gorge Trunk Sewer Line

Policy I-106 was originally established in 1986 at a time when the City of San Diego expressed concerns that the Mission Gorge Truck sewer was experiencing surcharging during periods of peak sewage flow, particularly during wet weather conditions. Shortly after the Policy became effective, the Lakeside SD constructed a “Flow Equalization Facility” at its abandoned treatment plant site. This facility consisted of a large storage tank designed to “capture” peak sewage flows for later release to Metro during non-peak hours. It was used only infrequently and has since been removed from service.

Policy I-106 has been reviewed several times in the intervening years, and is still utilized at the present time. It will again be reviewed for continuance by 12-31-09, or perhaps earlier as part of the GP 2020 plan update process. Policy I-106 attempts to manage wastewater discharges from the Alpine and Lakeside Sanitation Districts (which feed into the City’s Mission Gorge system). The policy gives priority for new sewer connections to lands located within the current district boundary. Annexations are permitted under certain conditions:

Lakeside - property must be completely surrounded by the sanitation district, and be located within the sphere of influence and urban limit line.

Alpine - property must be located within the Country Town Boundary, unless the Board finds that annexation would provide a needed public facility such as a school, fire station or library.

Exemptions to Policy I-106 allow sewer extensions to occur beyond district boundaries where health or safety reasons can be demonstrated. This includes septic system failures. Since the policy became effective, less than five (5) annexations have been permitted in the Alpine and Lakeside Sanitation Districts which required a waiver of the policy.

In the mid 1990’s, the City of San Diego completed improvements to the Mission Gorge Trunk sewer system, including the East Mission Gorge Interceptor discussed above. This resulted in additional system capacity for future need by the east County agencies that rely on Metro (Alpine, Lakeside, Wintergardens, Padre Dam and El Cajon). In recent

years Policy I-106 has been used primary as a growth management tool since it promotes infill developments instead of unrestricted annexations. Due to the fact that Policy I-106 was created as a result of sewage conveyance problems, problems which have since been corrected, the Policy should be analyzed for continuance prior to its 2009 scheduled review date. This should be done in conjunction with GP 2020.

Sewer Service Charges

In 2004, the Board of Supervisors approved a seven and one-half percent (7.5%) sewer service charge increase for Lakeside SD customers to be collected over a five year period. This is the first approved rate increase since 1997. As of July 1, 2005, the annual sewer service charge is \$306 per EDU which is collected on the County tax rolls. The connection capacity (“buy-in”) fee is \$2,000 per EDU and the annexation fee is \$500 per EDU.

Contractual Service Agreements

In 1984, the Lakeside SD agreed to reserve 253 EDUs of sewer capacity for the proposed High Meadow Ranch residential development, located outside the district boundary near the Barona Reservation. At that time, contractual service agreements were not subject to LAFCO review. While postponed for many years due to ownership changes and economic conditions, the project is now proceeding toward completion. Lakeside SD has initiated annexation proceedings to include High Meadow Ranch within the district.

Community Planning Areas

The Lakeside Community Planning Area covers approximately 80 sq. mi. The area is represented by the Lakeside Planning Group (LPG). The LPG is the advisory body that reviews and provides comments on land use matters to the County Planning Commission and Board of Supervisors. The Group meets twice per month. The Lakeside area consists of an urbanized commercial core area surrounded by suburban and rural development. Sewer service is provided to the commercial area and surrounding residential areas. Other, lower density suburban and rural areas are served by subsurface septic systems. Figure 7 shows the boundaries of the Lakeside CPA.

General Plan 2020 - Community Planning Goals

The Lakeside Community Planning Area is projected to grow from an existing population of approximately 73,500 to a GP 2020 projected goal of 86,000. Figure 8 shows the proposed General Plan 2020 land uses for the Lakeside area.

Service Implications for Lakeside Sanitation District

According to GP 2020 population forecast, approximately 15,300 new residents will be added to the Lakeside CPA. Some of this growth will occur in areas that are to remain suburban/semi-rural, consistent with historical “country” lifestyle of the area. However,

continued residential and commercial growth is expected to occur in areas of higher density that will require sewer service. Therefore, the Lakeside SD uses CPA forecast as a guide for planning future capital projects, but must also supplement that information with additional district level analysis. Lakeside SD recently completed a Facility Plan Study to determine future system needs and requirements to ensure the District will have sufficient facilities available to accommodate future system users.

The Facility Study projects that the ultimate capacity (beyond 2020) required for Lakeside SD planning purposes will be approximately 17,700 EDUs, or about 4,300 EDUs more than the 2005 estimate of 13,400. Subtracting 560 EDUs (13 percent historical average) for commercial/industrial uses results in a residential component of 3,700 EDUs. Based on SANDAG projected household size of 2.9 people per household in the Lakeside CPA, this equates to an increased population of about 10,700 new residents within the Lakeside SD, or about 41,200 new users by 2020 or later. According to the Facility Study, this will result in about 1,000,000 gallons per day (1 mgd) in increased wastewater flow to be generated within the district over the next 20 – 30 years.

These projections may be optimistic. According to district records, an average of approximately 115 EDUs have been permitted during the past five years. Using this trend as a benchmark, some 1,700 EDUs would be added to the district system by the year 2020. This converts to an estimated added population of about 5,000, or sewage flow increase of about 400,000 gpd.

Lakeside SD currently has 4.1 mgd of contracted Metro capacity rights with present discharges to Metro averaging 2.5 mgd. The addition of 400,000 gpd of future flow into the system is well within the Metro limit. However, an additional 1.0 mgd of discharge will bring Lakeside SD closer to its Metro capacity limit. Whichever projection turns out to be the more accurate, sufficient Metro contract capacity appears to be available to support GP 2020 objectives for the area. However, at some future point, additional Metro capacity may be required to support further sewer dependent growth in the Lakeside area. This capacity may or may not be available to Lakeside SD depending on overall Metro service demands at that time. The Lakeside SD Facility Study and capital improvement plans, which address short and long-term infrastructure issues for the Lakeside SD, will be reviewed further in the Section II (2), Planning for Infrastructure, Facilities and Services.

Alpine Sanitation District

The Alpine SD was formed in 1952 and operates and maintains the public sewer system for the unincorporated community of Alpine. The Alpine SD is located in the eastern foothills of the County, approximately 30 miles east of the City of San Diego. Most of the Alpine watershed is located within the Sweetwater River System, which drains to the southwest and into San Diego Bay. The District is comprised of approximately 1.4 square miles with a total of 1,200 customer accounts.

The Alpine sewage system originally consisted of a series of sewer collectors, one trunk sewer, and a wastewater treatment plant. Treated effluent from the plant was discharged

into Alpine Creek, a tributary of the Sweetwater River, until 1970. The stream discharge was terminated as a result of a cease and desist order issued by the California Regional Water Quality Control Board. Extensive improvements were completed to the Alpine sewage system as a result of this order.

Improvements included construction of the Galloway Pumping Station, located near the intersection of Arnold Way and Harbison Canyon Road. This pump station collects all sewage from the Alpine system, and then transfers it out of the Sweetwater basin and into the San Diego River basin.

In conjunction with construction of the Galloway Pumping Station, it was necessary to construct the Galloway Force Main and gravity system. The pump station uses a 10 inch diameter force main to lift 0.42 million gallons per day (mgd) of sewage up to a higher elevation near the intersection of Dunbar Lane and Interstate 8. At this point, Alpine's sewage then flows by gravity into Lakeside SD system where it connects to the Flynn Springs Interceptor near Flynn Springs County Park. From there, it flows through Lakeside SD and into the Metro System. In 2002, the force main ruptured due to adjacent construction activity resulting in an unauthorized discharge of raw sewage. Although the discharge was quickly contained, it was in excess of 10,000 gallons and resulted in issuance of a violation notice from the Regional Water Quality Control Board. The force main sewer had been planned for replacement and has now been upgraded with a new parallel line.

Overall, the District maintains 21 miles of sewer collection and transmission facilities. Alpine SD operations are considered adequate to meet current system demands. Facility plans and future system improvements are reviewed further in Section II (2), Planning for Infrastructure, Facilities and Services.

According to SANDAG, the year 2004 population of Alpine is 17,500. However, much of this population resides outside of the Alpine SD. The current number of EDUs generated in the Alpine SD is 2,456. This translates to an average daily sewage flow of between 420,000 – 500,000 gallons per day (0.42 – 0.5 mgd), based on a per EDU discharge rate of 170 - 240 gpd/EDU. The District has 44 EDUs committed to potential customers. There are 590 EDUs allocated for commercial accounts, 1,860 EDUs for residential. The Alpine SD residential population is estimated at about 5,000 as of 2005.

District Map and Watershed

Figure 9 shows the location, current boundary and sphere of the Alpine Sanitation District. Figure 10 shows the location of major sewer facilities (including the Galloway Pump Station and Force Main) and portions of the Sweetwater River watershed area.

Board of Supervisor Policies

Most of the Board Policies previously discussed also apply to the Alpine SD. As mentioned in the Lakeside SD section, Board Policy I-106: Establishment of Priorities for

Limited Sewer Capacity in the Mission Gorge Trunk Sewer Line applies to Lakeside SD and Alpine SD. To be considered for annexation to the Alpine SD, a “property must be located within the Country Town Boundary, unless the Board finds that annexation would provide a needed public facility such as a school, fire station or library.” There have been no annexations to the Alpine SD located outside the Country Town Boundary since Policy I-106 became effective.

Sewer Services Charges

In 2004, the Board of Supervisors approved a seven and one-half percent (7.5%) sewer service charge increase for Alpine SD customers to be collected over a five year period. This is the first approved rate increase since 1997. As of July 1, 2005, the annual sewer service charge is \$336 per EDU which is collected on the County tax rolls. The connection capacity (“buy-in”) fee is \$2,300 per EDU, and the annexation fee is \$1,000 per EDU. Compared to Lakeside SD, annual sewer service charges for Alpine SD are somewhat higher and reflective of the smaller customer base and higher system costs due to operation of the Galloway Pump Station and Force Main.

Contractual Service Agreements

In 1998, the Alpine SD approved an extraterritorial service agreement with the Alpine Union School District to allow for construction of the Joan McQueen Middle School on south Tavern Road. The school site is approximately one mile outside of the district boundary. Because it was determined to be a needed public facility the school project was exempt from Policy I-106. Due to its distance from the district boundary, annexation of the school might have created pressures for other properties to propose annexation.

The south Tavern Road area was not planned for densities that would necessitate public sewer service; therefore, the school district and Alpine SD agreed that a contractual service agreement was the preferred option, in lieu of annexation. The school district further agreed to own and maintain that portion of the sewer extension outside the district boundary, and prohibit any connections to the sewer without first obtaining County approval. The sewer discharge flows by gravity through a siphon and joins the Alpine SD system near the intersection of Tavern Road and Arnold Way.

The Alpine SD also provides outside services to a subdivision and elementary school located along Harbison Canyon Road. A pump station conveys sewage from this site to the Galloway pump station where it joins the Alpine SD discharge.

Community Planning Area

The Alpine Community Planning Area (CPA) covers approximately 108 sq. mi. The area is represented by the Alpine Planning Group (APG). The APG is the advisory body that reviews and provides comments on land use matters to the County Planning Commission and Board of Supervisors. The Group meets once per month. The Alpine area consists of a medium density residential/commercial core area, surrounded by semi-rural and rural

development. Wastewater services are limited to the medium density residential and commercial areas located along Alpine Blvd., Arnold Way and Tavern Road. The remainder of the Alpine CPA is served by individual septic systems. Figure 11 shows the location of the Alpine CPA.

General Plan 2020 – Community Planning Goals

The Alpine Community Planning Area is projected to grow from an existing population of approximately 16,500 to a GP 2020 projected goal of 27,500. The sanitation district's residential population is projected to grow by about 3,000 EDUs (8,500) and commercial growth by about 1,000 EDUs. This results in about 13,500 projected users by 2020 (or beyond). These estimates are based on the results of the Alpine Facility Plan Study projections which go beyond 2020 planning targets. Combined, total future sewage flows for Alpine SD planning purposes are estimated at 1.5 mgd, or a flow increase of just over 1.0 mgd above the current discharge of 0.42 mgd.

However, by the year 2020, projected flows will likely be far less. According to district records, the number of wastewater discharge permits issued during the past five years averaged about 25 EDUs per year. Projecting this trend out to 2020 (375 additional EDUs), future sewage flows could be more in the range of 90,000 gpd. If Board Policy I-106 should be modified or eliminated in the future, such action might impact the extent or location of future developments in the Alpine CPA which require sewer service. Figure 12 shows proposed GP 2020 land uses for the Alpine area.

Service Implications for Alpine Sanitation District

According to GP 2020 population forecast, approximately 11,800 new residents will be added to the Alpine CPA. Much of this growth will occur in areas that are to remain semi-rural/rural, consistent with historical "country" lifestyle of the area. As noted above, some residential and commercial growth will continue to occur in areas of higher density requiring centralized sewer service. Therefore, the Alpine SD uses CPA forecast as a guide for planning future capital projects, but must supplement that information with additional district level analysis. The purpose of the Facility Plan Study is to determine future system needs and requirements to ensure the District will have sufficient facilities available and operational to accommodate future system needs.

As discussed above, the Facility Plan Study projects the ultimate capacity required for Alpine SD planning purposes (beyond 2020) will be approximately 7,000 EDUs, or about 4,500 EDUs more than the 2005 estimate of 2,400 EDUs.

Alpine SD currently has 0.72 mgd of Metro capacity rights with present discharges to Metro averaging 0.42 mgd. The remaining 300,000 gallons (0.3 mgd) of capacity rights can support over 1,200 new EDUs before additional Metro capacity would be required. Should recent growth trends prove to be more accurate than Facility Plan projections; sufficient Metro contract capacity will be available along with an adequate reserve capacity. Conversely, the addition of 1.0 mgd of long-term discharge to Metro would, as suggested in the Facility Plan Study, exceed Alpine SD Metro capacity rights. Therefore,

at some future stage, additional Metro capacity may be required to support continued sewer dependent growth in the Alpine area. The Alpine SD Facility Plan Study and capital improvement plans address short and long-term infrastructure issues for the Alpine SD and will be addressed further in Section II (2), Planning for Infrastructure, Facilities and Services.

Future Tribal Sewer Service

Recently, a preliminary sewer service study was commissioned for the Ewiiapaayp Tribe to determine the costs and feasibility of extending Alpine SD sewer facilities to serve a proposed casino near the present site of the Viejas Casino and Outlet Center. This concept was later abandoned due to joint agreement between the Viejas and Ewiiapaayp Tribes. The agreement authorizes Ewiiapaayp Tribe to construct a new casino on the Viejas Reservation which, presumably, will utilize the existing or another on-site wastewater treatment facility. The new casino would be located just east of the Viejas Casino. If the combined sewer flows should ever cause problems with existing reservation treatment and discharge facilities, annexation to Alpine SD or, alternatively, a contractual service agreement, might be proposed as an option to continued on-site treatment.

Julian Sanitation District

The Julian Sanitation District was formed in 1945 in the unincorporated mountain community of Julian. Julian is located approximately 60 miles northeast of San Diego along Highways 78/79. The District is 0.19 square mile in size (119 acres). The population of the greater Julian area is approximately 3,300.

The Julian SD sewer system primarily serves the Julian central business district area. A total of 315 EDUs are allocated for commercial (215 EDUs) and residential (100 EDUs) uses. The district's current residential population is approximately 250–300. However, during periods of high tourism, sewage flows can be much higher. The sewer collection system includes approximately 3.0 miles of sewer pipe and a gravity conveyance line which transports sewage to the Julian SD wastewater treatment facility. The facility is located approximately one mile west of Julian off Highway 78.

Average daily sewage flows (gallons/day) per connected EDU fluctuate between 79-125 gpd. This variance may be the result of recent local water conservation efforts which can also reduce sewer flows. During fall and winter months, flows increase due to higher tourism levels, and because of rainwater infiltration into the sewage collection system. This problem generally worsens as collection systems age. The five year average flow rate is about 119 gpd per EDU. This is less flow volume than what is generated in the more urbanized "Metro" sanitation districts.

In spite of these lower per unit flows, the existing treatment plant is operating at maximum capacity (.040 mgd). The Julian SD Board has imposed a sewer moratorium policy that severely limits any new sewer connections due to the sewage treatment capacity problem. New sewer permits in Julian are only issued under very strict criteria,

such as a failing septic system, or to previously purchased sewer commitments. Annexations are not allowed, except for septic system failures. One exception occurred in August 1998 when the Julian School Districts were annexed to the Sanitation District. Planned school improvements would not permit continued use of the on-site sewage system. Connection to the Julian SD system required construction of a pump station and force main. Since the school site was located within jurisdiction of the Colorado Basin Regional Water Quality Control Board, coordination with that agency was also required.

Annexation of the school site, combined with current customer usage and purchased sewer capacity, commitments, have raised sewer flows to levels which could exceed the treatment plants operating limit (0.4 mgd). In the year 2000, district review of operating conditions at the treatment plant concluded that a few additional connections could be accommodated. A priority list was established along with criteria and standards for prospective users. This resulted in the addition of 17 new connections to the system. Since that time, the only additional sewer connection permitted was for a public restroom facility due to the acute shortage of restrooms during periods of high tourist activity.

The Julian SD utilizes a secondary wastewater treatment system with effluent discharge by means of spray irrigation. Upgrades to the plant were recently completed which included the following:

1. Replacement/relocation of a large septic tank which serves as a pretreatment facility to help capture large amounts of grease common in Julian wastewater discharges.
2. Return Activated Sludge (RAS) Pump to serve as backup to the pump in operation. If the existing pump failed without a backup, effluent quality would be negatively affected and could cause a violation of the discharge permit.
3. Construction of a second aerobic digester. The new digester provides a proper-sized facility to augment the existing undersized digester. It also provides temporary back-up when the main digester is taken out of service for maintenance/repairs.

These improvements were financed with a \$247,000 Federal grant/loan from the U.S. Department of Agriculture, Rural Development Administration and local district and County funding of \$172,000 (total cost: \$419,000). Treatment plant upgrades did not allow for any additional system capacity. There are no foreseeable plans to expand system capacity; therefore the moratorium on sewer connections is expected to continue indefinitely.

Present wastewater flows into the treatment plant are averaging approximately 30,000 gallons per day, however this flow rate is frequently exceeded during peak weekend periods when the Julian town center experiences an influx of tourists. The Regional Water Quality Control Board (RWQCB) permit allows for a discharge not to exceed 40,000 gallons per day. Flow rates in excess of 60,000 gallons have been recorded

during peak weekend periods. In 2001, there were 28 instances of RWQCB permit violations although no fines or penalties were issued. The RWQCB permit also requires the preparation of a plan for future plant expansion when wastewater flows reach 75 percent of discharge limits or, alternatively, a plan to operate within permit limits. As discussed below, the District has imposed a service moratorium that is expected to continue for the foreseeable future. The District Board's action has essentially become the future wastewater management plan for the Julian SD.

District Map and Watershed

Figure 13 shows the location, current boundary and sphere of the Julian SD. Figure 14 shows the location of backbone sewer facilities and portions of the upper San Diego River watershed area.

Board of Supervisor Policies

In addition to previously discussed Board Policies, the Julian SD Board of Directors adopted Policy I-113: Establishment of Priorities for Limited Sewer Capacity in the Julian Sanitation District, on June 20, 1989. The purpose of the policy was to provide a process to allocate limited sewer capacity in the district. As explained above, these allocations have now been completed and there is no further capacity available for new or expanded projects (with the exception of a small amount of capacity reserved for failing septic systems). There are no plans to expand treatment capabilities, and no surplus capacity remains for new connections.

Sewer Service Charges

In 2002, the Julian SD Board of Directors approved a five percent (5%) sewer service charge increase for Julian customers to be collected over a five year period. This is the first rate increase since 1992. As of July 1, 2005, the annual sewer service charge is \$671 per EDU and collected on the County tax rolls. The next and final increase will bring the annual sewer charge to \$705. The connection capacity ("buy-in") fee is \$4,000 EDU, and the annexation fee is \$1,000 per acre. Compared to other sanitation districts, annual sewer service charges for Julian SD are considerably higher. This reflects the small customer base and additional cost to operate a local wastewater treatment facility.

Contractual Service Agreements

Julian SD presently has no contractual service agreements.

Community Planning Area

The Julian CPA covers approximately 52 sq. mi. The area is represented by the Julian Planning Group (JPG). JPG is the advisory body that reviews and provides comments on land use matters to the County Planning Commission and Board of Supervisors. The Group meets once per month. The Julian area consists of low density residential

development surrounding a commercial town center area. Wastewater service is limited to the core commercial area along Main Street and Highway 78. There are some residential units and apartments (estimated population - 200) within the core area. The remainder of the Julian CPA is served by individual septic systems. Figure 15 shows the location of the Julian CPA.

General Plan 2020 – Community Planning Goals

The Julian Community Planning Area is projected to grow from an existing population of approximately 3,000 to a GP 2020 projected goal of 4,000. Most of this growth will occur in the greater Julian area, outside sanitation district boundaries, due to the sewer moratorium and the general plan goal to preserve the area's rural character. Figure 16 shows proposed GP 2020 land use for the Julian area.

Service Implications for Julian Sanitation District

Due to the district sewer moratorium, limited customer base and funding, and GP 2020 goals to retain Julian's present rural character, the district has no service expansion plans for the foreseeable future. The district will continue to operate and maintain the existing system in compliance with the Regional Water Quality Control Board's Discharge Permit.

Pine Valley Sanitation District

The Pine Valley Sanitation District was formed in 1968 and is located in the eastern portion of San Diego County off of Interstate 8, Pine Valley Road and Old Highway 80 approximately 45 miles east of San Diego. The District consists of approximately 52 customer accounts (43 residential EDUs, 65 commercial EDUs) with a population of approximately 150. The Pine Valley SD area is 28 acres in size, or 0.04 square mile.

The District consists of 0.7 miles of sewer collection pipe which conveys sewage to a 40,000 gpd (0.04 mgd) treatment plant. The average daily flow rate was 10,500 gpd (0.0105 mgd) as of April 2004. This is about 25 percent of total of treatment capacity. Wastewater treatment is processed at the secondary level using aerated oxidation ponds. The treated effluent is disposed of through percolation and evaporation in ponds adjacent to the facility, and discharged into the groundwater system. Pine Valley SD operations are considered adequate to meet current system demands. Facility plans and future system improvements are reviewed further in Section II (2), Planning for Infrastructure, Facilities and Services.

It is important to note that the Pine Valley groundwater system is also the primary source of domestic water supplies to area residents and businesses. Therefore, caution must be applied in area wastewater (and septic) management activities to ensure this "sole source" supply remains adequate for domestic uses.

District Map and Watershed

Figure 17 shows the location, current boundary and sphere of the Pine Valley SD. Pine Valley area residents receive domestic water from the local mutual water company, or from private wells. Figure 18 shows the location of major sewer facilities and portions of the upper Tijuana River watershed.

Board of Supervisor Policies

There are no additional Board Policies that specifically apply to the Pine Valley SD. Other Board policies (described earlier), which apply to all sanitation districts, are also applicable to Pine Valley SD operations.

Sewer Service Charges

The current annual sewer service charge for Pine Valley SD customers is \$636, collected on the County tax rolls. Similar to the Julian SD, annual sewer service charges for Pine Valley are considerably higher than other urban districts due to the small customer base and additional cost to operate a local wastewater treatment facility. The connection capacity (“buy-in”) fee is \$2,000 per EDU; the annexation fee is \$1,000 per acre. Sewer service charges are scheduled to be reviewed in the near future and rate adjustments will likely be proposed.

Contractual Service Agreements

Pine Valley SD presently has no contractual service agreements.

Community Planning Area

The Pine Valley CPA covers approximately 150 sq. mi., most of which are public lands located within the Cleveland National Forest. The CPA is represented by the Pine Valley Planning Group (PVPG). PVPG is the advisory body that reviews and provides comments on land use matters to the County Planning Commission and Board of Supervisors. The Group meets once per month. The CPA consists of low density residential and rural development surrounding a commercial town center area. Wastewater service is limited to the core commercial area along Old Highway 80, including some residential units and apartments (estimated population - 150). The remainder of the Pine Valley CPA is served by individual septic systems. Figure 19 shows the location of the Pine Valley CPA.

General Plan 2020 – Community Planning Goals

The Pine Valley CPA is projected to grow from an existing population of approximately 2,500 to a GP 2020 projected goal of 2,900. Most of this growth will likely occur outside the District boundary and remain semi/rural in accordance with GP 2020 goals. Figure 20 shows proposed GP 2020 land uses for the Pine Valley area.

Service Implications for Pine Valley Sanitation District

Wastewater flows generated in Pine Valley have fluctuated somewhat over the years due to changes/vacancies in commercial activity. These uses represent the majority of the District's customer accounts. With current flows consuming 25 percent of treatment capacity, the District has sufficient wastewater treatment capacity to meet anticipated future demands. The District plans to continue with current operation and maintenance programs in compliance with the Regional Water Quality Control Board's Discharge Permit. However, due to excess sewer capacity available, the District appears capable of serving a larger area.

Other County Wastewater Management Operations

The County of San Diego also operates and maintains other water/wastewater management facilities, not presently subject to LAFCO review. Below is a brief summary of these activities and programs:

Sewer Maintenance Districts (SMD)

Pursuant to Chapter 26, Sections 5820 – 5856 of the California Streets and Highways Code, SMDs can be established to provide sewer collection services to unincorporated area residents when the Board of Supervisors determines such services are necessary, and where no other alternate entity is able or available to perform such services. SMD's may be formed by resolution of the Board of Supervisors following written notice to affected residents/property owners.

1. Wintergardens SMD

The Wintergardens SMD was established in January, 1964 to provide sewer collection service to the Wintergardens area, located between Lakeside to the east, Santee to the west and El Cajon to the south. Wintergardens SMD contracts with Metro for sewage treatment/disposal. The Metro agreement provides for 1.3 mgd of capacity rights. Present flows average 0.9 mgd with approximately 3,700 connected EDUs (3,340 residential EDUs; 360 commercial EDUs). The District's current population is approximately 9,700. Wintergardens SMD is close to built-out with little area remaining for future growth. Annual sewer service charges are \$216. The connection capacity fee is \$1,000 per EDU; annexation fee is \$500 per EDU.

2. East Otay Mesa SMD

The East Otay Mesa SMD was established in June, 1999 to provide sewage collection services for the unincorporated East Otay Mesa area. The East Otay Mesa Specific Plan has designated the area for commercial/industrial development. At present, the backbone sewer system consists of one sewer outfall which was constructed as part of a proposed electrical generating station.

The power plant has yet to be constructed. Other facilities are planned which will be constructed as development occurs.

There are currently no flows in the system due to the lack of completed projects. However, many projects have been planned and flows are anticipated to begin occurring within the next 2-3 years. The District has 1.0 mgd of Metro treatment/disposal capacity rights. This capacity was purchased from the Spring Valley Sanitation District, and payments to SVSD will begin as development occurs. Connection capacity fees range between \$1,000 - \$2,500 per EDU depending on the type of project. Annual sewer service charges are \$310/EDU.

3. County Facility Wastewater Systems Support

The County Public Works Department, Wastewater Management Section provides wastewater collection and treatment services to the San Pasqual Academy (Children's Foster Care Facility), Sheriff (Descanso Detention Facility), Parks Department (Heise Park) and the Probation Department (Camp Barrett). Water supply service is also provided in some cases.

4. Campo Community System

County DPW also provides water and sewer services to the developing unincorporated community of Campo. Campo is located approximately 60 miles east of San Diego adjacent to Highway 94 and the U.S./Mexico border. During WWII, Campo became the site of Camp Lockett which was constructed to provide border protection. Later it was converted to a prisoner of war compound and finally as a military hospital before it was abandoned. Most of the land was conveyed to the County along with a central water and sewer system.

The County later developed part of the area into a juvenile probation camp (Rancho del Campo). Presently, the County provides water/sewer service to several County departments that have offices/facilities in the area. There are also about 45 private customers who also rely on the County for water and sewer support. This includes the U.S. Department of Homeland Security - Border Patrol Station.

Recently, a 222 unit subdivision was approved for inclusion into the water/sewer system. This action fundamentally changes the nature of service to the community from one of basic public facility support, to a mix of public/private operations. Other projects are planned for the area which may also depend on use of these facilities. As a result of these expanded operations, the Board of Supervisors has authorized staff to proceed with formation of a Sewer Maintenance District for the area. This process is estimated to take approximately 12-24 months and will not be subject to LAFCO review.

Conclusions

The Board of Supervisors has adopted several policies which provide guidance to the planning, financing and delivery of wastewater services to the County sanitation districts. The districts which rely on Metro for wastewater treatment and disposal (Spring Valley, Lakeside, Alpine) have adequate contact capacity at this time. Spring Valley SD maintains several interagency agreements for use of the Spring Valley Outfall. Recent rate increases have occurred in order to maintain present levels of service (except Pine Valley SD). While the “Metro districts” will experience continued growth and are not expected to exceed contracted capacity, this will need to be monitored closely in the future. Due to improved conditions, Board Policy I-106, which regulates annexation and sewer connection activity in the Lakeside and Alpine SD’s should be reviewed for continuance in conjunction with GP 2020. The Julian Sanitation District is operating at capacity and applications for new connections are not being accepted as outlined in Board Policy I-113. The Pine Valley SD sewer flows average approximately 25 percent of system capacity. The County provides other wastewater management services which are not subject to LAFCO review.

2. Planning For Infrastructure, Facilities and Services

Introduction

The ability of a local governmental agency to provide efficient and cost effective public services is linked to an integrated program of short and long-range planning. Determining future service needs – and developing strategic plans to ensure that physical and capital resources will be available as required – is a fundamental activity of local government. Generally, these agencies use master plans coupled with capital improvement plans (CIP), or variations of these processes, as planning tools. Long range master plans are especially important for agencies that have abundant developable territory or are experiencing significant growth.

There is no legal requirement regarding the frequency for preparing master plans or CIP’s; however, five-year master plan and CIP updates have become prevalent in California. Preparing and updating master plans and CIP’s at periodic intervals allows agencies to evaluate and respond to changing conditions through an organized process. This process also provides opportunity for input from the public, and other interested/affected agencies.

The County sanitation districts generally update wastewater facility master plans in ten year intervals unless circumstances require more frequent assessments (e.g., unanticipated development proposals). The five year CIP program is then used for scheduling system improvements and upgrades during the annual budget process. County land use plan updates occur more infrequently than district master plan reviews, therefore coordination problems in developing projections for future service may occur.

The choice of appropriate planning processes can be influenced by such factors as an agency's geographic size, population, density, or age of infrastructure. Agencies serving predominately built-out territory or areas with little expectation of growth are, as a rule, concerned with routine maintenance and the upgrade of aging infrastructure to meet new safety and regulatory standards. Preparing master plans under such conditions is usually based on a less intensive planning process.

Planning creates a vision for providing future services; however, the vision will not materialize if plans are not put into action. Timely funding choices must be pursued in order to achieve the service goals established by the planning process. Implementation schedules should be developed and strictly followed, and adequate resources must be dedicated to capital projects if proposed goals are to be achieved. Moreover, if maintenance or upgrade plans are deferred in the budget or capital improvement process, not only will planned goals go unrealized, but also the condition of infrastructure and existing levels of service could be degraded as well.

Spring Valley Sanitation District

In 2002, a Facility Plan Study was completed for the SVSD by the consulting firm of RBF Engineers. The study area included the SVSD, sphere of influence, and other agency flows which drain to the Spring Valley Outfall sewer and Metro. The SVSD consists of a collection system and pump stations which convey wastewaters downstream to the Metro system for treatment and ocean disposal. The District's current Metro contract capacity is 10.34 mgd.

The study area did not include the Otay Ranch. Otay Ranch officials have expressed interest in future annexation to the SVSD to serve portions of that development, as an alternative to service by Chula Vista. Separate studies would be required to determine feasibility and cost. The Facility Plan addresses existing and future conditions in the SVSD and presents an improvement/replacement program designed to maintain and (where required) expand system service to meet future needs. Plans/projections and discharge flows from other city/districts that rely on the SVSD system were also incorporated into the planning process. The final facility plan report was used for internal planning and capital budgeting purposes and was not presented for public or Board of Supervisor review.

General Plan and Population Projections

During preparation of the Facility Plan in 2001/2002, GP 2020 final land use allocations had not been determined by the Board of Supervisors. This required use of existing County General Plan land use designations combined with SANDAG/County population forecast. After GP 2020 "target population" projections became available, the forecast data was compared and has been incorporated into this report. No major inconsistencies were identified

The “target projections” were approved by the Board of Supervisors to provide guidance in development of GP 2020 land use allocations. While some planning inconsistencies may exist in forecasting future population levels, the Facility Plan appears to provide a reasonable basis for programming near-term system repairs and expansions. During preparation of the next (10 year) facility plan, approved GP 2020 land use and population projections will be utilized. This should reduce or eliminate potential planning coordination problems.

Sewer systems (esp. pipelines) are designed to operate for up to forty years or longer, while land use planning programs generally cover a smaller (20 year) timeframe. Careful consideration must be given to the design of system capacity needs so that future areas served will be accommodated while avoiding growth inducement problems that can develop with oversized wastewater facilities.

Development of the SVSD Facility Plan was divided into five-year time frames beginning in 2000 – 2010, and then to “ultimate” conditions. According to the Plan, the ultimate condition is defined as complete build out of the existing district and sphere boundaries. Because GP 2020 and the SVSD Facility Plan were initiated at different times and with different timeframes, accurate and direct correlations between land use projections and facility planning and design may not always be possible.

The SVSD was first divided into basins and sub-basins, and flow factors were then developed. The County uses a flow rate of 240 gallons of wastewater discharge per day, per single family dwelling unit (i.e., 1 EDU). The assumed household population is approximately 3.0 persons per unit. Existing and projected land uses and corresponding population levels are then fed into hydraulic models that determine where future system improvements/expansion will be required. This process begins at the sub-basin level and is repeated throughout the district and sphere areas.

Tables 1 and 2 summarize SVSD population and EDU flow projection information:

Table 1
Existing and Future Population

Year 2000	EDUs*	Year 2020	EDUs*
85,000	27,500	125,000	36,000

* Does not include commercial EDUs

Table 2
Existing and Projected Wastewater Flows

Million Gallons Per Day (MGD)*			
2000	2005	2010	2020
7.70 mgd	7.95 mgd	8.20 mgd	8.60 mgd

* Includes residential and commercial flows

Planned Capital Improvements

The SVSD Facility Plan includes a projected 5/10 year capital improvement program to meet future District needs. Improvements consist of various pipeline replacements and upgrades due to age and condition. New or enlarged facilities to accommodate future demand are also recommended. The CIP identifies six existing trunk sewer pipeline upgrades by 2005 with a combined estimated cost of \$2,773,416. One additional project was identified as needed by 2010 with an estimated cost of \$437,700. These projects are summarized in Table 3.

Table 3
Recommended Capital Improvement Program

Name	Diameter (in.)	Length (ft)	Year 2005 Cost	Year 2010 Cost
Broadview Trunk	15	70,707	70,700	
Calavo Trunk	12	4,665	902,100	
Jamacha Trunk	10	3,246	773,500	
Trunk B	12	1,148	322,400	
Trunk DI	12 – 18	2,292	704,700	
Trunk EII	10	2,656		437,700
Total Cost			2,773,400	437,700

Financing Capital Improvements

The SVSD finances the majority of capital improvements and facility upgrades with District reserves and development connection fees. Grants and loans have seldom been used. A portion of the annual operation and maintenance charges (i.e., annual sewer service charge) are set aside in the reserve fund for future system maintenance. In cases where a pipeline must be replaced due to age and condition but will also be enlarged to accommodate growth, financing will occur through a combination of “replacement reserve” and “expansion reserve” funds, which are retained in separate budget accounts. This is discussed further Section II (5), Fiscal Review.

Conclusion

Planning for future facilities and infrastructure in the SVSD is guided through the ten year Facility Plan review/update process and the County General Plan. Based on review of the SVSD planning and CIP documentation, it appears District sewerage facilities are in reasonably good condition with problems areas identified and programmed for replacement/upgrade through the facility planning process. Future growth is expected to continue in the District as noted in the Facility Plan and GP 2020 reviews.

The Otay Ranch annexation question was not addressed in the Facility Plan, so little information is presently available to determine whether this area would be appropriate for

inclusion in the SVSD sphere of influence at this time. This matter should be investigated in the future by the affected agencies. In the meantime the area may be appropriate for designation as a Special Study Area (See Section II (3)).

Lakeside Sanitation District

Planning for future facilities and infrastructure in the Lakeside SD is guided through the ten year Facility Plan review/update process and the County General Plan. In 2002, a Facility Plan Study was completed for the Lakeside Sanitation District by the consulting firm of RBF Engineers. The study area included the Lakeside SD, sphere of influence and development, which is subject to a contractual service agreement – High Meadow Ranch. For planning purposes, contractual service agreements are assumed to be connected and part of the existing served population. The Lakeside SD consists of a collection system and pump stations which convey wastewater downstream to the Lakeside Interceptor and into the Metro system. The District’s current Metro contract capacity is 4.6 mgd. The Facility Plan addresses existing and future conditions in the Lakeside SD and presents an improvement/replacement program designed to maintain and (where required) expand system service to meet future needs.

Based on review of the Lakeside SD planning and CIP documentation, it appears District sewerage facilities are in reasonably good condition with problems areas identified and programmed for replacement/upgrade. The final facility plan report was used for internal planning and capital budgeting purposes and was not presented for public or Board of Supervisor review.

General Plan and Population Projections

As mentioned in the SVSD section above, during preparation of the Lakeside Facility Plan in 2001/2002, GP 2020 final land use allocations had not been determined. Therefore, existing County General Plan land use designations along with GP 2020 “target population” projections were used to develop future EDU flow projections and sewer sizing models. The Facility Plan was divided into five-year time frames beginning in 2000 – 2010, and then to “ultimate” conditions. According to the Plan, the ultimate condition is defined as complete build out of the existing district and sphere boundaries.

The Lakeside SD area was first divided into basins and sub-basins. Flow factors were then developed. The County uses a flow rate of 240 gallons of wastewater discharge per day, per single family dwelling unit (i.e., 1 EDU). The assumed household population is approximately 3.0 persons per unit. Existing and projected land uses and corresponding population levels are then fed into hydraulic models that determine where future system improvements/expansion will be required. This process begins at the sub-basin level and is repeated throughout the district and sphere areas. Tables 4 and 5 summarize Lakeside SD population and EDU flow projection information:

Table 4
Existing and Future Population

Year 2000	EDUs*	Year 2020	EDU EDUs*
30,500	10,500	51,300	17,700

*Does not include commercial EDUs

Table 5
Existing and Projected Wastewater Flows

Million Gallons Per Day (MGD)*			
2000	2005	2010	2020
3.2mgd	3.6mgd	3.95mgd	4.3mgd

* Includes residential and commercial flows

Planned Capital Improvements

The Lakeside Facility Plan includes a projected 5/10 year capital improvement program to meet future District needs. Improvements consist of various pipeline replacements and upgrades due to age and condition. New or enlarged facilities to accommodate future demand are also recommended. The CIP identifies 12 existing trunk sewer pipeline upgrades by 2005 with a combined estimated cost of \$12,276,400. Seven additional projects were identified as needed by 2010 with an estimated cost of \$5,219,000. These projects are summarized in Table 6.

Table 6
Recommended Capital Improvement Program

Name	Diameter (in)	Length (ft)	Year 2005 Cost	Year 2010 Cost
Lakeside Trunk 1	15	4,674	1,443,000	
Lakeside Trunk 2	15	3,000	1,030,000	
Lakeshore Trunk	12-18	2,779	491,000	797,000
Woodside Int. 3	33	63	43,400	
Flynn Sp Int. 2	15-18	5,655	768,000	1,160,000
Flynn Sp. Int. 3	12-18	5,150	716,000	1,200,000
Industry Rd. Int. 1	15-36	6,298	1,196,000	678,000
Industry Rd. Int. 2	18	1,201	177,000	288,000
Lakeside Int. 1	30-33	6,044	2,816,000	
Lakeside Int. 2	30-42	3,036	1,668,000	
Mapleview Trunk	10	1,719		330,000
Old Hwy 80 Trunk 2	18	4,783	1,343,000	
Woodside Int. 1	10-15	3,844		766,000
Wintergardens Trunk	10-12	2,365	585,000	
Total Cost			12,276,400	5,219,000

Financing Capital Improvements

Lakeside SD finances the majority of capital improvements and facility upgrades with District reserves and development connection fees. Grants and loans have seldom been used. A portion of the annual operation and maintenance charges (i.e., annual sewer service charge) are set aside in the reserve fund for future system maintenance. In cases where a pipeline must be replaced due to age and condition but will also be enlarged to accommodate growth, financing will occur through a combination of “replacement reserve” and “expansion reserve” funds which are retained in separate fund accounts. This is discussed further in Section II (5), Fiscal Review.

Although not an actual “capital improvement,” consideration must also be given to the financing of future “Metro Capacity” costs. The cost per gallon of Metro capacity has increased significantly in recent years, and any additional capacity needed will likely cause impacts to District finances. Establishment of a separate “Metro capacity purchase fund” should be considered to ensure adequate funds would be set aside for Metro capacity purchases when needed. Inclusion as a separate “line item” in the expansion reserve budget might be another option.

Conclusion

Planning for future facilities and infrastructure in the Lakeside SD is guided through the ten year Facility Plan review/update process and the County General Plan. Based on review of the Lakeside SD planning and CIP documentation, it appears District sewerage facilities are in reasonably good condition with problems areas identified and programmed for replacement/upgrade through the facility planning process. Future growth will continue in the District as noted in the Facility Plan and GP 2020 reviews. Purchase of additional Metro capacity may become necessary in the future.

Alpine Sanitation District

In 2002, a Facility Plan Study was completed for the Alpine Sanitation District by the consulting firm of RBF Engineers. The study area included the Alpine SD, sphere of influence and the Country Town Boundary area. The Alpine SD consists of a collection system and major pump station facility located in Galloway Valley. Wastewaters are conveyed downstream through the Lakeside system and into Metro for treatment and ocean disposal. The District’s current Metro contract capacity is 0.7 mgd. The Alpine SD Facility Plan addresses existing and future conditions in the District and presents an improvement/replacement program designed to maintain and (where required) expand system service to meet future needs.

General Plan and Population Projections

The Alpine SD area was first divided into basins and sub-basins. Flow factors were then developed. The County uses a flow rate of 240 gallons of wastewater discharge per day, per single family dwelling unit (i.e., 1 EDU). The assumed household population is

approximately 2.8 persons per unit. Existing and projected land uses and corresponding population levels are then fed into hydraulic models that determine where future system improvements/expansion will be required. This process begins at the sub-basin level and is repeated throughout the district and sphere areas. Tables 7 and 8 summarize Alpine SD population and EDU flow projection information:

Table 7
Existing and Future Population

Year 2000	EDU Equivalent	Year 2020	EDU Equivalent
4,000	1,428	5,800	2,100

Does not include commercial EDUs

Table 8
Existing and Projected Wastewater Flows

Million Gallons Per Day (MGD)*

2000	2005	2010	2020
0.5	0.75	0.95	1.5

* Includes residential and commercial flows

Planned Capital Improvements

The Alpine Facility Plan includes a projected five year capital improvement program to meet future District needs. Improvements consist of various pipeline replacements and upgrades due to age and condition. New or enlarged facilities to accommodate future demand are also recommended. The CIP identifies three existing trunk sewer pipeline upgrades by 2005 with a combined estimated cost of \$1,368,500. These projects are summarized in Table 9.

Table 9
Recommended Capital Improvement Program

Name	Diameter	Length	Year 2005 Cost	Year 2010 Cost
Alpine Trunk 1	12	2,233	508,500	
Alpine Trunk 2	12-18	2,813	750,000	
Alpine Trunk 3	15-18	344	110,000	
Total Cost			1,368,500	

Financing Capital Improvements

Alpine SD finances the majority of capital improvements and facility upgrades with District reserves and development connection fees. Grants and loans are seldom used. A portion of the annual operation and maintenance charges (i.e., annual sewer service

charge) is set aside in the reserve fund for future system maintenance. In cases where a pipeline must be replaced due to age and condition, but will also be enlarged to accommodate growth, financing will occur through a combination of “replacement reserve” and “expansion reserve” funds which are retained in separate fund accounts. This is discussed further in Section II (5), Fiscal Review.

Although not an actual “capital improvement”, consideration must also be given to the financing of future “Metro Capacity” costs. The cost per gallon of Metro capacity has increased significantly in recent years, and any additional capacity needed will likely cause impacts to District finances. Establishment of a separate “Metro capacity purchase fund” should be considered to ensure adequate funds would be set aside for Metro capacity purchases when needed. Inclusion as a separate “line item” in the expansion reserve budget might be another option

Conclusion

Planning for future facilities and infrastructure in the Alpine SD is guided through the ten year Facility Plan review/update process and the County General Plan. Based on review of the Alpine SD planning and CIP documentation, it appears District sewerage facilities are in reasonably good condition with problems areas identified and programmed for replacement/upgrade through the facility planning process. Future growth will continue in the District as noted in the Facility Plan and GP 2020 reviews. Purchase of additional Metro capacity may become necessary in the future.

Julian Sanitation District

There are no regularly scheduled facility plan reviews for the Julian SD. Due to the small size of the District, new/replacement sewers occur on an as needed basis. As mentioned in Section II (1), there is current moratorium on new sewer connections to the District and no plans for system expansion. The District recently received a federal grant/loan from the Rural Development Administration to complete wastewater treatment plant upgrades. These upgrades do not provide any additional system capacity.

Pine Valley Sanitation District

There are no regularly scheduled facility plan reviews for the Pine Valley SD. Due to the small size of the District, new/replacement sewers occur on an as needed basis. There are no plans at this time for system expansion. The District does have some excess capacity to support a limited number of new connections.

County Sanitation Districts - Emergency Planning

The County Public Works Department maintains an Emergency Response Plan for all departmental operations, including support to the sanitation district operations. In emergency situations, including pipeline and pump station disruptions, wastewater flows can usually be temporarily diverted to other lines. All pump stations maintain emergency

storage basins and either have fixed or portable generators on hand. Early warning alarm systems are also maintained at various locations.

Water Reclamation Planning

Water reclamation opportunities for the sanitation districts have been investigated on occasion in years past, namely in Lakeside and Spring Valley. To date, no cost effective solutions to reuse of wastewater at the local sanitation district level have been identified. The most promising option appears to be an area-wide type approach in the upper San Diego River basin with Alpine and Lakeside flows combined with an expanded Padre Dam MWD reclamation system.

The Alpine and Lakeside Sanitation Districts, and the Padre Dam MWD, should continue cooperative infrastructure planning efforts, and hopefully identify more future opportunities to expand water reclamation programs throughout the upper San Diego River basin. Presently, water reclamation services are provided primarily to customers within the City of Santee. As growth and development continues to require sewer service throughout the basin, the potential to expand water reclamation activities should be closely examined as an alternative to continued Metro treatment and disposal. This may help to stabilize costs and provide a needed resource to partially offset imported water demand and rising imported water costs.

Conclusions

Review of the infrastructure facilities and plans for each of the sanitation districts has not revealed any significant operational or planning deficiencies. Although the Julian SD treatment facility is operating at capacity and new services have been curtailed, the County has adopted policies and procedures to maintain current levels of service. Improved coordination on population forecasting between land use and wastewater facility planners will help ensure sewer service facilities are properly sized and timed to meet future demands. Purchase of additional Metro capacity in the Lakeside and/or Alpine Sanitation Districts may become necessary at some future date.

Septic disposal problem areas within or bordering individual sanitation districts are not routinely reviewed or mapped for use in the facility planning process. Service extensions/annexations resulting from septic failures are usually handled on a case-by-case basis. These results in numerous individual annexation/concurrent sphere amendment applications presented to LAFCO. Inclusion of this information in the planning process, and dissemination to property owners, could help to bring about more collective annexation proposals and associated cost reductions as well as better coordination of sewer extension facilities to septic system problem areas.

Recent (GIS) mapping systems being developed by the County's Environmental Health Department will help to improve data collection and analysis on septic system problem areas. Septic area problems identified through this process will be an important tool for future master plan updates and sphere of influence reviews. Such information might also

help to encourage collective annexation proposals, thereby reducing the LAFCO processing cost for individual applications. Procedures should be investigated that might improve opportunity for ratepayer/public review of long range district facility master and financing plans. These plans are typically used for internal planning and budgeting purposes, and become an integral part of the larger County Public Works Department program and budget.

Public outreach on individual district matters are generally limited to brief issue oriented discussions before community interest groups (e.g. rate increase, maintenance issues). More direct forms of public involvement and review of district master planning activities appear limited. Website improvements that focus more directly on individual district plans and programs might be helpful. Other outreach approaches are also possible.

Adoption of GP 2020 will result in improved coordination between land use and wastewater facility planning responsibilities through use of consistent land use and population forecast.

3. Spheres of Influence Analysis and Recommendations

In accordance with State Law, each LAFCO is obligated to develop and adopt spheres of influence for each city and special district in the county. A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local government agency as determined by the Commission. Spheres are characterized as planning tools used to provide guidance for individual proposals involving jurisdictional changes, and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Spheres may be amended periodically; recent State Law directs that they be reviewed every five years, as necessary.

Appropriate Boundaries

The boundaries of local governments should define territory where agencies can logically provide service(s). Accordingly, spheres of influence should be adopted to identify areas where a determination can be made that the agency will be prepared to provide efficient service(s) in the future. Including territory in an agency's boundary that cannot logically be served or, conversely, excluding territory that can logically be served can cause inefficiencies and indicate that a boundary adjustment is appropriate.

In addition, local agencies generally should avoid providing service(s) outside of their boundaries because that type of service arrangement may introduce complexity into regional service delivery and strain an agency's infrastructure system. The Lakeside and Alpine sanitation districts provide limited extra-territorial services. These services were implemented several years ago prior to changes in State law which now provide for LAFCO review of such agreements. There have been no further outside services provided since that time.

Spring Valley Sanitation District

The SVSD sewer system is shared by other agencies that were previously discussed in Section II (1), Area and Agency Descriptions. Included in the LAFCO Southern San Diego County Water and Sewer Municipal Service Review report, adopted February 2, 2004, was a determination that sphere of influence updates be completed by the SVSD and City of Chula Vista that would focus on the most appropriate method to provide sewer service to the remaining portions of the Otay Ranch development (Village 13). This will require joint participation by the City of Chula Vista, SVSD and the Otay Water District.

While some preliminary discussions have occurred among the affected agencies, there has been no further initiative on this matter by Chula Vista, Otay or the SVSD. Preliminary studies are in progress by the developer to determine cost and feasibility of alternative route locations. After these studies are completed agency officials should proceed with the sphere review. This area should be designated as a Special Study Area until such time as the inter-jurisdictional sphere review process is completed. (See Figure 24).

Lakeside Sanitation District

The Lakeside SD sphere boundary borders the Padre Dam MWD and Wintergardens Sewer Maintenance District on the west, and the City of El Cajon to the south. These agencies each provide sewage collection/treatment services. Recently a district boundary adjustment was processed by LAFCO which involves the modification of sewer service responsibilities between Padre Dam and the Lakeside SD. The High Meadow Ranch development area was to receive sewer service by contractual service agreement. Now that actual development is beginning to occur, it should be included in the Lakeside SD boundary. Areas to the north and east are unconstrained by other sewer service boundaries and sphere inclusion inquiries have been received from property owners in that area (Alpine SD is approximately 12 miles east). These areas will be reviewed in conformance with GP 2020 to determine appropriate sphere boundaries.

Alpine Sanitation District

The Alpine SD sphere boundary is not contiguous to any other nearby sewer service agency. As previously mentioned, Alpine maintains two contractual service agreements consisting of a residential neighborhood and two middle schools. These areas could be considered for inclusion in the sphere boundary (See Figure 28). The limiting constraints to further boundary changes are sewage capacity, topography, and surrounding public and tribal lands. Boundary adjustments shall be reviewed in conformance with GP 2020 to determine Alpine SD's appropriate sphere of influence.

Julian Sanitation District

The Julian SD boundary is not anticipated to change in the foreseeable future due to the sewer moratorium and limitations imposed by Board Policy I-113. Therefore, no change

in the existing Julian SD coterminous district/sphere boundary is recommended at this time

Pine Valley Sanitation District

The Pine Valley SD sphere boundary is not contiguous to any other nearby sewer service agency. The district sphere/boundary should be adjusted to include County park/library operations. Consideration should also be given to inclusion of portions of the “meadow area” into the sphere boundary depending on the final GP 2020 land use allocations for the Pine Valley area (See Figure 31).

Agreements and Policies

As discussed in Section II (1), Area and Agency Descriptions, the Board of Supervisors has adopted various policies which address sewer service issues in unincorporated areas of the County. Policy I-106 was adopted to establish priorities for allocating limited capacity in the East Mission Gorge Outfall System, which is owned by the City of San Diego. County agencies that utilize the Mission Gorge Outfall are the Lakeside SD, Alpine SD, and the Wintergardens Sewer Maintenance District. Terms and conditions for use of this facility are contained in the Sixth Amendment to the Sewage Disposal Agreement, Between the City of San Diego and the Alpine and Lakeside Sanitation Districts. The Padre Dam MWD and the City of El Cajon also utilize this facility through separate agreements.

The sewer capacity issue was addressed by the City of San Diego in mid-1990 through completion of upgrades to the East Mission Gorge Outfall and the North Mission Valley Interceptor. Policy I-106 was reviewed for continuance in 2002 and still remains in effect. This is due, in part, to continuing interagency concerns over fair share operating system costs, build-out peak capacity for each system, and allocation of future fair share capital costs. Its value as a planning tool has also been established, but this should be subject to further review as part of the GP 2020 process. A new comprehensive inter-agency agreement is anticipated within 12-24 months. At that time it would be appropriate to review Policy I-106 in relation to the new agreement and GP 2020; otherwise it is scheduled to be reviewed for continuance in 2009.

The Policy is still used to regulate annexation activity, the extension of sewer service, and growth in east-county areas where sewer service is required. For example, no new applications for annexation to the Lakeside SD will be accepted by the County unless the property is completely surrounded by district territory or located within the Lakeside SD Sphere of Influence and (General Plan) Urban Limit Line (as of July,1990) - unless the property is within the Upper San Diego River Improvement Project (USDRIP). The USDRIP program appears to have changed significantly since it was first initiated in the late 1980's, and may no longer be appropriate for exemption status.

For Alpine SD, new applications for annexation can only be accepted if the property is within the Alpine Country Town Boundary, unless a finding can be made that annexation

would provide a needed public facility, such as a school, fire station, or library. Exception criteria that can be applied to both Lakeside SD and Alpine SD include sewer extensions necessary for health and safety reasons, and for properties with failed septic systems, as verified by the County Department of Environmental Health.

The Board of Supervisors adopted Policy I-107 in 1986 to address the long-term availability of sewer service and to encourage infilling within certain portions of East County – primarily areas served by the Spring Valley SD. The policy generally prevents the installation of sewers from the Rancho San Diego Sewer Interceptor to areas not within the Urban Limit Line. Failing septic systems and public health and safety situations are excluded from this restriction. The policy also prohibits the SVSD from entering into contractual service agreements with private property owners. The policy was supposed to be reviewed for continuance by December 31, 1996, but still remains in effect. As mentioned, above this policy should be included as part of a comprehensive sewer policy review under the GP 2020 process.

Policy I-113 is used to regulate sewage connections to the Julian Sanitation District due to capacity limits at the treatment plant. In essence, this policy is used as an enforcement tool to implement a moratorium on new connections to the system (with limited exceptions).

Determination of Sphere of Influence Boundaries – Review Criteria

Sphere of influence boundaries for the County sanitation districts are determined based on review criteria which include such factors as general plans and population growth, drainage areas, availability and condition of wastewater facilities, avoidance of district “service islands,” and existing or potential septic disposal problem areas. Specific review criteria are listed below:

1. Existing and Proposed General Plans

The existing County General Plan and the proposed GP 2020 community land use plans and target population projections were evaluated in relation to existing sphere boundaries. The current sphere boundaries are based on the existing general plan; therefore, areas planned for new development, or increased development, were compared against proposed GP 2020 recommended land use allocations. While it is important to mention that GP 2020 has yet to be officially adopted by the Board of Supervisors, it nevertheless still serves as an important planning tool in development of appropriate sphere boundaries.

To the extent possible, the objective is to honor the spirit and intent of the GP 2020 process, while at the same time recognizing the LAFCO legislative mandate to complete the sphere review and update program by January 1, 2008. In the event adopted GP 2020 land uses and densities should be found to be in conflict with portions of the updated sphere boundaries, LAFCO will revise those areas to ensure interagency planning and service delivery coordination.

2. Housing Density Determinations

The analysis of existing and proposed general plan GP 2020 has utilized a factor of two dwelling units per acre, or greater, as the determining density factor for sewer service sphere boundary review. In some cases, a factor of one dwelling unit per acre is used where topography and soil conditions suggest sewer service would be warranted, or if such areas were already located within a sphere boundary.

3. Drainage Basins

Sewer collection, transmission, treatment and disposal facilities are usually designed to flow under gravity conditions, which reduces the need for pumping facilities that are costly to operate and maintain. Pumping facilities are also a frequent source of sewage spills when they malfunction or fail. For this reason, many sewer district boundaries generally follow drainage basin topography and watershed boundaries.

While there are exceptions to this design principle, the sphere boundaries identified for the sanitation districts are based along watersheds and sub-drainage basin areas. Exceptions occur when developed or developing areas (or areas with septic failures) located in adjacent basins have no alternative service provider, or the provider (e.g., city) will not provide the service. [For example, State law and LAFCO require annexation to a city for sewer service provision rather than having the city deliver a single service extension].

4. Facility Condition and Availability

System condition and availability of capacity are the most important component of a district's ability to provide service extensions. The sanitation district facility master plans are the primary tool used to assess facility adequacy and available capacity.

5. Avoidance of Island Creation

The creation of "service islands" is inconsistent with the objective of facilitating uniform service area boundaries, and every effort has been made to avoid this condition in the sphere review process. Exceptions occur when unforeseen septic failures require annexations which result in creation of island boundaries that were not part of the sphere planning process.

6. Potential Septic Failure Areas

Known or potential septic problem areas identified from LAFCO records and the County's Department of Environmental Health have been included in the proposed sphere.

7. Sphere Amendment Activity

Areas or sub-areas within sanitation districts that have experienced a disproportionate amount of sphere amendment activity have been included in the proposed sphere to establish logical boundaries.

8. Contractual Service Agreements

Where appropriate, contractual service agreement areas have been included in a sphere boundary, but no expansion of such areas, or establishment of new contractual service agreement areas, are identified.

9. Special Study Areas

In some instances insufficient information was available to determine if certain areas were appropriate for inclusion in a sphere. In such cases, these areas have been identified as Special Study Areas. Upon completion of further investigation, inclusion in the sphere would be considered by LAFCO.

Summary of Sphere Amendments for the Sanitation Districts

Figure 21 show a summary of sphere amendment activity for the sanitation districts dating back to 1985. The sections which follow include brief discussions of sphere amendment activity for each of the districts, and recommendations for sphere amendment where appropriate.

Request for Sphere Inclusion

Figure 22 shows the location of various inquiries for sphere inclusion that have been received by LAFCO for the Spring Valley, Lakeside, Alpine and Pine Valley Sanitation Districts (no inclusion inquiries were received for the Julian SD). These inquiries will be reviewed further in the following sections.

Spring Valley Sanitation District - Sphere of Influence Status (1983-2004)

LAFCO originally adopted a partial sphere of influence for the Spring Valley SD in 1983 focusing on the communities of Spring Valley, La Presa and Casa de Oro. In 1983, the SVSD included 15 square miles (9,600 acres). The original sphere included approximately 15 square miles outside of the boundaries of the District. The majority of the additional territory was located within the sewer improvement districts of the Otay Water District and was either receiving service, or authorized to receive service from Otay. Otay's sewer service areas already receive service indirectly from SVSD through a connection agreement. This area is within the current urban development area of the Valle de Oro Community Plan.

In 1985, LAFCO evaluated the balance of the Spring Valley SD in the unincorporated communities of Lincoln Acres, Bonita and Sunnyside. Facilities were considered

adequate and no new major improvements were anticipated in these areas. The 1985 sphere report indicated that septic systems were widely used throughout the three communities and that a higher rate of septic system failure was present in the Bonita and Sunnyside areas. Because the Lincoln Acres, Bonita and Sunnyside communities were included in the spheres for the neighboring cities (National City and Chula Vista), these communities were not included in the SVSD sphere.

To avoid an overlap of service responsibility, LAFCO typically detaches territory from a district in conjunction with annexation to a city. However, to annex into a city, property must be contiguous to the city boundary. The unincorporated communities of Bonita and Lincoln Acres were excluded from the SVSD sphere of influence because they were included in the spheres for the City of Chula Vista and National City respectively. For property in either or those cities' sphere that is not eligible for a municipal annexation, the Commission adopted a policy allowing annexation to SVSD of territory outside the sphere without processing a concurrent sphere amendment.

In 1983, the population of the District was approximately 70,000 people. The 1981-82 average daily sewage flow was 5.4 mgd. The year 2000 population for SVSD was approximately 85,000, an increase of 15,000 from 1983. The SVSD population is projected to grow by an additional 40,000 residents beyond the year 2020. SVSD Metro capacity rights total 10.35 mgd, with current average daily flows of approximately 7.7 mgd. Therefore, 2.7 mgd of unused SVSD Metro capacity remains available for future use. This equates to about 11,250 EDUs, or an equivalent population of approximately 34,000. Based on this review, it appears SVSD will have sufficient Metro capacity to accommodate projected future demands.

In 2004, the Wastewater Management Section of the County Public Works Department reported that SVSD is 20 square miles in area (12,876 acres) with approximately 26 square miles (16,600 acres) remaining within its sphere. Sewer service is provided to a total of 22,488 customer accounts served by approximately 219 miles of collection sewers. The current number of EDUs served within the Spring Valley SD is approximately 32,000.

Additional flows enter the SVSD system from Chula Vista (12,500 EDUs), Lemon Grove (1,545 EDUs), La Mesa (2,712 EDUs), Otay Municipal Water District (2,500 EDUs), and the City of San Diego (8,000 EDUs). Therefore, a total of approximately 59,257 EDUs flows through the SVSD system to Metro. These combined agency flows equate to an average total Metro discharge of between 13.5 – 14.0 mgd. Ultimate flows (beyond 2020) from all contributing agencies are anticipated to reach approximately 21.0 mgd.

2005 Sphere of Influence Review

Since 1985, LAFCO has amended the Spring Valley SD sphere of influence seventeen times adding approximately 36 acres to the sphere. No territory has been removed. Combined, the SVSD and sphere of influence covers an area of approximately 29.2 square miles (18,687 acres).

In 2004, LAFCO staff requested the Wastewater Management Section of the County Public Works Department to identify areas that may need district services due to septic failure or proposed development. County staff did identify potential development projects, but were not able to identify areas with the potential for septic failure. Therefore, the LAFCO database together with information obtained from the County Department of Environmental Health was used to identify potential septic failure areas. Existing or potential septic problem areas are shown on Figure 23.

Sphere Inclusion Inquiries

Five inquiries have been received by LAFCO for sphere inclusion within the SVSD. Four inquiries appear related to potential septic problems in the unincorporated area bordering the City of La Mesa, but outside the La Mesa sphere. Further site specific investigations would be required to determine the appropriate sewer service authority and corresponding sphere boundary for this area. The fifth inquiry involved a potential sphere amendment/annexation request from the Sweetwater Authority to provide sewer service for a portion of property containing its water treatment operations complex at Sweetwater Reservoir. To date the Sweetwater Authority has not pursued this matter further.

Recommended Sphere of Influence Boundary – Spring Valley Sanitation District

The Spring Valley SD sphere of influence should be modified to include properties that are of a size that may merit sewer service (e.g., lots ½ ac. or less in size), or other properties with boundaries that were inadvertently split by the existing sphere boundaries. Existing land use plans and changes proposed under GP 2020 must also be considered in the sphere boundary review process.

In general, the sphere boundary is intended to include those areas which are contiguous to the existing district and sphere boundary which are designated for residential land use densities of two dwelling units per acre or greater. Commercial, industrial and public lands are also included where appropriate. The sphere of influence is intended as a general planning boundary for potential future sewer service, not as a precise sewer service area. Annexation of territory within the sphere will occur at the project level review phase.

Figure 24 shows the recommended sphere of influence boundary for the Spring Valley Sanitation District. Based on the review criteria discussed above, it appears no additional lands need to be included in the SVSD sphere at this time. Figure 24 also includes a Special Study Area designation for Otay Ranch Village 13. This area will require sewer service from either the Spring Valley SD or the City of Chula Vista. The agencies should jointly review sewer service options for Village 13 and present findings and recommendations for LAFCO's consideration. At that time, the appropriate service provider and sphere boundary will be determined.

Lakeside Sanitation District - Sphere of Influence Status (1985-2004)

LAFCO adopted the original sphere of influence for the Lakeside SD in 1985 when the District included 4,500 acres. The adopted sphere added approximately 1,600 acres of territory outside the District boundary, consisting primarily of in-fill areas surrounded by the District and some adjoining development areas that were still subject to final County approval (e.g., High Meadow Ranch).

LAFCO also considered a substantially larger sphere for the Lakeside SD proposed by the County. The County's sphere proposal envisioned increasing the Lakeside SD from 4,500 acres to 12,000 acres. This proposal was not approved by LAFCO due to concerns over available sewer capacity and unknown growth inducing effects.

2005 Sphere of Influence Review

Since 1985, LAFCO has amended the Lakeside SD sphere of influence 20 times resulting in the inclusion of approximately 190 additional acres. No territory has been removed.

In 2004, the Wastewater Management Section of the County Public Works Department reports that there are 7.9 square miles (5,075 acres) within the Lakeside SD, and 9.9 square miles (6,316 acres) remaining within its sphere. Service is provided to a total of 8,000 customer accounts, by approximately 73 miles of collection sewers.

The current number of EDUs served by the Lakeside SD, including EDUs attributable to jurisdictions that maintain connection agreements with the District is 13,200. The maximum projected EDU capacity that could be accommodated within all basins of the current Lakeside SD system is slightly over 20,000 EDUs. In 2004, LAFCO staff requested the Wastewater Management Section of the County Public Works Department to identify areas which may require district services due to septic failure or proposed development. County staff did identify potential development projects, but did not identify areas with the potential for septic failure. Therefore, the LAFCO database together with information obtained from the County Department of Environmental Health was utilized to identify potential septic failure areas. Existing or potential septic problem areas are shown on Figure 25.

Lakeside Sanitation District Boundary Adjustment Proposal

In early 2005, the Padre Dam Municipal Water District (Padre Dam) requested Lakeside SD Board of Directors consent to the detachment of 8,130 acres of sewer service area from Padre Dam, and concurrent annexation of this territory to the Lakeside Sanitation District. This unincorporated area is located in the Upper San Diego River Sub-Basin and includes portions of the Eucalyptus Hills and Morena Valley areas of Lakeside. The annexation is an important component of a larger jurisdictional reorganization involving Padre Dam MWD, and Lakeside and Riverview Water Districts.

Under this reorganization proposal Lakeside and Riverview would detach from Padre Dam and then merge in to single district (Lakeside Water). Lakeside would then purchase water directly from San Diego County Water Authority and discontinue wholesale water purchases from Padre Dam. The proposed detachment of Padre Dam's sewer service area in the unincorporated area and concurrent annexation to Lakeside Sanitation District would facilitate completion of reorganization proceedings and preserve existing sewer service entitlements in the affected territory.

On May 18, 2005, the Lakeside SD Board of Directors passed a resolution consenting to the annexation of territory to the sanitation district. The three water agencies are currently processing this reorganization through LAFCO. The Board's resolution consenting to annexation, and Padre Dam's Board resolution consenting to detachment, will enable LAFCO to complete the reorganization expeditiously. If approved the Lakeside SD would increase by 6,400 acres to a total of approximately 11,542 acres.

Sphere Inclusion Inquiries

Several property owners within the Lakeside area have expressed interest in sphere inclusion and (possible) future annexation to the sanitation district (Figure 22).

The first area includes portions of the Upper San Diego River Improvement (USDRIP) Area which is planned for residential, industrial and river park uses. This area, which exceeds 100 acres, could also be physically served by the Padre Dam MWD. However, due to district reorganization proceedings mentioned above, Padre Dam's sphere of influence will no longer include this area. Therefore, it is appropriate to include USDRIP within the Lakeside SD sphere.

The next inquiry includes an industrially planned and zoned area exceeding 20 acres located west of Highway 67 and north of central Lakeside. Sewer facilities are located in a nearby industrial park and have potential to be accessed from other properties in the area. The recommended sphere for the northern portions of the sanitation district includes consolidating the existing non-contiguous sphere areas into a more logical planning area. This expanded area includes the subject property. Another inquiry involves a minor infill adjustment in the Mapleview/Vine Street area within the town center.

Additional inquiries have been received regarding eastern portions of the district along the Interstate 8 corridor. One inquiry involves a 90-acre parcel which adjoins Flynn Springs County Park. At the time of the request (January 2005), the subject property was undergoing County staff review for a boundary line adjustment. The owners propose to sell two 4-acre parcels and develop the remaining parcel with a senior retirement housing facility, and an assisted living complex. GP 2020 proposes to designate this area for low density residential uses not requiring sewer service. Although it is possible to obtain variances that would allow for clustering within low density areas, there is insufficient information at this time to support inclusion of planned low density development areas in the updated Lakeside sphere boundary. The site will instead be recommended for designation as a Special Study Area in accordance with the Sphere of Influence Review Criteria and may be considered for sphere inclusion at a later time.

The next inquiry concerns an area of approximately 2.0 acres. The site is near commercial, medium and lower residential uses. It also borders the existing Lakeside SD sphere boundary. GP 2020 plan objectives for this area indicate up to four dwellings units per acre which would require sewer service from the Lakeside SD. This site is recommended for inclusion in the Lakeside SD sphere.

The final Lakeside SD sphere inquiry concerns the proposed Crestlake Development Project, located in the Crest, Dehesa, and Harbinson Canyon CPA. The project proposes to construct 62 residential units on approximately 70 acres with the remainder (about 220 acres) set aside as permanent open space. On December 10, 2003 the developer obtained Board of Supervisor approval to waive Policy I-106 from this project. The site lies within the San Diego River watershed with gravity drainage to the Lakeside SD system in the vicinity of Interstate 8 and the Los Coches Trunk Sewer system. This area was not included within either the Lakeside SD or the Alpine SD facility plan update process (see Section II-2). The site also adjoins the 2,000 acre Crestridge Land Conservation Bank. This site is appropriate for inclusion in the Lakeside SD sphere boundary. An updated review of the Lakeside facility plan to ensure mitigation of any project impacts should be completed prior to initiation of formal annexation proceedings.

Recommended Sphere of Influence Boundary – Lakeside Sanitation District

The Lakeside SD sphere of influence should be modified to include properties that are of a size that may merit sewer service (e.g., lots ½ ac. or less in size), or other properties with boundaries that were inadvertently split by the existing sphere boundaries. Existing land use plans and changes proposed under GP 2020 must also be considered in the sphere boundary review process.

In general, the sphere boundary is intended to include those areas which are contiguous to the existing district and sphere boundary which are designated for residential land use densities of two dwelling units per acre or greater. Commercial, industrial and public lands are also included where appropriate. The sphere of influence is intended as a general planning boundary for potential future sewer service, not as a precise sewer service area. Annexation of territory within the sphere will occur at the project level review phase. Figure 26 shows the recommended sphere of influence boundary for the Lakeside Sanitation District.

Alpine Sanitation District - Sphere of Influence Status (1983-2004)

LAFCO originally adopted the sphere of influence for the Alpine SD in 1983. In 1983, the Alpine Sanitation District consisted of approximately 616 acres (about 1 square mile), and included approximately 1.8 square miles (1,200 acres) within the surrounding sphere boundary. This area consists of existing developed areas with potential for septic problems and developing industrial areas north of Interstate 8. The adopted sphere includes the more developed portions of the Country Town Boundary. In 1983, the population of the District was 3,500 (284 service connections representing 1,140 EDUs).

2005 Sphere of Influence Review

Since 1983, LAFCO has amended the Alpine SD sphere of influence once which added 238 acres to the sphere boundary (i.e., Crown Hills development). No territory has been removed.

In 2004, the Wastewater Management Section of the County Public Works Department reports that there are 1.4 square miles (900 acres) within the Alpine SD, and 3.3 square miles (1,200 acres) within the sphere boundary. Service is provided to 1,300 customer accounts by approximately 21 miles of collection sewers. Current (2004) District population is estimated to be 5,000. The current number of EDUs served by the Alpine SD is 2,500 and 47 EDUs are committed to potential customers. The maximum projected EDU capacity that could be accommodated within all basins of the current Alpine SD system is 4,230 EDUs based on average usage of 169 gallons per day.

In 2004, LAFCO staff requested the Wastewater Management Section of the County Public Works Department to identify areas which may require district services due to septic failure or proposed development. County staff identified potential development projects, but did not identify areas with the potential for septic failure. Therefore, the LAFCO database together with information obtained from the County Department of Environmental Health was utilized to identify potential septic failure areas. Existing or potential septic problem areas are shown on Figure 27.

The Harbinson Canyon residential area, located outside the district but served by a contractual service agreement, is recommended for inclusion in the Alpine SD sphere boundary.

Sphere Inclusion Inquiries

Five inquiries for sphere inclusion have been received by LAFCO. The first concerns an area of approximately 50 acres in the southeastern portion of Alpine near South Grade Road. The area is proposed to be designated as Village Residential (1 dwelling unit per 2 – 2.9 acres) under GP 2020, which would require sewer service from the Alpine SD. The area appears to be appropriate for inclusion in the recommended sphere boundary.

The second area consists of approximately 15 acres and is located in the northwest portion of Alpine near Tavern Road. It is currently recommended for a Village Residential designation (14.5 dwelling units per acre) and is surrounded by the existing sphere boundary. This area is also recommended for inclusion in the Alpine SD sphere.

The third site covers approximately 5 acres located adjacent to Tavern Road south of Alpine Blvd. This area is also planned for Village Residential (10.9 – 14.5 dwelling units per acre) and would be appropriate for inclusion in the Alpine SD sphere.

The final two sites are small lots located in the western portion of Alpine near Arnold Way. This general area does have a history of septic problems; however, it is not

considered to be of a significance that would necessitate extension of sewer service. The area is planned for low density residential uses, which will not require sewer service. Sphere inclusion is not recommended at this time.

Recommended Sphere of Influence Boundary – Alpine Sanitation District

The Alpine SD sphere of influence should be modified to include properties that are of a size that may merit sewer service (e.g., lots ½ ac. or less in size), or other properties with boundaries that were inadvertently split by the existing sphere boundaries. Land use changes proposed under GP 2020 have also been considered in the sphere boundary review process.

In general, the sphere boundary is intended to include those areas which are contiguous to the existing district and sphere boundary which are designated for residential land use densities of two dwelling units per acre or greater. Commercial, industrial and public lands are included where appropriate. Additionally, the Harbinson Canyon residential area, located outside the district but served by contractual service agreement, is also recommended for inclusion in the Alpine SD sphere boundary.

The sphere of influence is intended as a general planning boundary for potential future sewer service, not as a precise sewer service area. Annexation of territory within the sphere will occur at the project level review phase. Figure 28 shows the recommended sphere of influence boundary for the Alpine Sanitation District.

Julian Sanitation District - Sphere of Influence Status (1988-2004)

LAFCO originally adopted a sphere of influence for the Julian SD in 1988. In 1988, the Julian SD included approximately 80 acres. The adopted sphere included approximately 100 acres beyond existing District boundaries. The sphere territory included the Julian Pines area, an existing subdivision with parcel sizes generally at maximum allowable densities under the Julian Historic Plan. The area is subject to potential septic failures.

As of 1988, the sanitation district owned and maintained approximately 2.5 miles of sewer mains and a sewage treatment facility. As of 2004, the sewer collection system now includes approximately 2.8 miles of sewer pipe, primarily as a result of annexation of the Julian middle/high schools. The collection system conveys sewage to the treatment facility, located approximately one mile west of the Julian Town center. The treatment facility provides secondary treatment with effluent discharged by spray irrigation within the treatment plant site.

In 1988, the District was operating at about 72 percent of treatment plant capacity. Currently (2004), the treatment plant operates at its maximum permitted capacity of 40,000 gallons per day (0.040 mgd). All available sewer capacity has been committed. There are no plans to expand treatment plant capacity in the foreseeable future due to lack of demand, funding and community support. Accordingly, the Julian SD is under a sewer moratorium that limits and strictly controls new sewer connections. New sewer

permits in Julian are only issued under very strict criteria, such as a failing septic system or to previously purchased sewer commitments as specified in Board of Supervisor's Policy I-113.

In 2004, the Wastewater Management Section of the County Public Works Department reported that the Julian SD sewer system serves the Julian central business/residential district and the nearby middle/high school area. The Julian SD is 0.19 square mile in size (119 acres). The growth of the district was primarily due to the recent annexation of the middle/high school site (approximately 32 acres), and the District's population is approximately 750 with a total of 97 customer accounts. The average flow per connected EDU fluctuates between 79-125 gallons per day (gpd). There are 315 EDUs presently served by the Julian SD (215 EDUs residential; 100 EDU's commercial). The District has 11 EDUs committed to future customers not subject to Policy I-113 restrictions. No additional areas have been identified for sewer service, including areas potentially subject to septic failure.

Board Policy I-113

The Board of Supervisors enacted Board Policy I-113 in 1989 due to increasing occurrences of high sewage inflows into the treatment plant - especially during periods of high tourist activity. The resulting operational problems which this created would likely result in discharge violations and penalties from the Regional Water Quality Control Board. Attempts were made to secure grant funding to enlarge the plant in the mid 1990s, however those efforts were abandoned due to the high cost of the project. In 2001, a grant/loan was obtained from the federal Rural Development Administration to implement treatment plant upgrades. Although plant expansion did not occur, system operating performance was improved and permitted discharge standards have been maintained. These federally funded improvements did necessitate implementation of a five-year phased customer rate increase. This was approved by the Board in 2001.

2005 Sphere of Influence Review

Since 1985, LAFCO has amended the Julian SD sphere of influence two times which included 47 additional acres. In addition to inclusion of the 32 acre Julian middle/high school area, 15 acres were added for the wastewater treatment plant site.

Recommended Sphere of Influence Boundary – Julian Sanitation District

Due to the limitations imposed by Board Policy I-113, coupled with no plans to enlarge the wastewater treatment plant, it is recommended no modifications to the current Julian SD sphere of influence boundary be considered at this time. Figure 29 shows the recommended sphere of influence boundary for the Julian Sanitation District.

Pine Valley Sanitation District - Sphere of Influence Status (1988-2004)

LAFCO adopted a sphere of influence for the Pine Valley SD in 1994. The District includes approximately 28 acres and has a coterminous sphere. The wastewater

treatment plant site is not contiguous with the major portion of the District, but is included in the sphere. Sewer plant permitted treatment capacity is 40,000 gallons per day (0.4 mgd). Average daily flows in 1994 were approximately 8,000 gpd (.008 mgd). District customers consist of commercial and residential users located along Old Hwy 80 in the village center area.

The Pine Valley SD sphere was originally considered by LAFCO in 1986, and an expanded sphere was proposed by a private property interest containing an additional 290 acres beyond the then 23[±] acre district. The expanded sphere would have included territory accommodating several proposed development projects, and expansion of the sewer treatment plant.

During the 1986 sphere hearing, Pine Valley residents expressed concern about potential groundwater contamination from the proposed treatment plant expansion since the area is completely dependent upon groundwater for domestic use. Residents wanted further information regarding possible health effects from increases of treated effluent percolating into the groundwater system. In response, the Commission deferred consideration of the proposed sphere until the Regional Water Quality Control Board could conduct a thorough analysis of issues involved with the expansion of the treatment plant.

Subsequent to Commission deferral of the Pine Valley SD sphere adoption, the proposed development was suspended and the need for a sewage treatment plant expansion was no longer necessary. As of 1994, the current treatment plant capacity was determined to be sufficient for existing development, and the Commission adopted a coterminous sphere for the District. The District consists of 48 customer accounts serving a total of 96 EDUs. District population is approximately 300 people. The Pine Valley SD area still remains about 28 acres in size. The treatment process is secondary treatment system using aerated oxidation ponds. The treated effluent is disposed of through percolation and evaporation in ponds adjacent to the facility. There are approximately 0.4 miles of collection sewers in the District.

2005 Sphere of Influence Review

Since 1994, no sphere amendments have been adopted. In 2004, LAFCO staff requested the Wastewater Management Section of the County Public Works Department to identify areas which may require district services due to septic failure or proposed development. County staff identified one 9-acre area adjacent to the northerly district boundary, referred to as the “meadows”. A 20-unit subdivision has been proposed in this area and sewer service has been requested. Extension of sewer service to the site would resolve concerns about potential drinking water contamination from septic discharges into the groundwater system. The LAFCO database together with information obtained from the County Department of Environmental Health was utilized to identify other potential septic failure areas. Existing or potential septic problem areas are shown on Figure 30.

Treatment plant operations are sufficient to accommodate existing uses with capacity available for additional connections. Wastewater generation in the District has remained

generally stable, but flows occasionally go down when there are extended commercial vacancies and reduced business activity.

Sphere Inclusion Inquiries

As discussed above, the “meadows” area is presently vacant but a General Plan Amendment has been proposed to allow for creation of 20 clustered lots on approximately nine acres. The site is adjacent to the District boundary. This area should be added to the sphere boundary due to the potential for a future annexation proposal as well as the need to provide aquifer protection.

Recommended Sphere of Influence Boundary – Pine Valley Sanitation District

The recommended sphere of influence for the Pine Valley SD includes a small addition (approximately 5 acres) along the eastern edge of the district which is the present site of the existing elementary school, and the 9-acre meadows area. Based on review of the existing General Plan and GP 2020 goals, it appears there will be no further demand for sewer service outside of the recommended sphere of influence area except for possible septic failures, which would be processed through LAFCO on a case-by-case basis. Figure 31 shows the recommended sphere of influence boundary for the Pine Valley Sanitation District.

4. Administration, Management, and Operations

Organizational and Management Structure

The public expects local agencies to function in a manner that will deliver efficient and timely services. This depends, in large part, on the ability and capacity of the agencies’ administrative, management and operations personnel to meet demands

The Spring Valley, Lakeside, and Alpine sanitation districts share common administrative, engineering and maintenance personnel and equipment through the County Public Works Department with assistance from other County resources as required (e.g., Auditor and Controller). Administrative and engineering offices are located at the County’s Operations Center in the Kearny Mesa area of San Diego. Operations and maintenance facilities are located at the Spring Valley Operations Center located near the intersection of Highway 94 and Jamacha Road in the Rancho San Diego area.

The Wastewater Management Section is situated within the Public Works Engineering Services Division. This division is one of four divisions which report to the Public Works Director (Engineering Services, Management Services, Transportation, Land Development). The Wastewater Section employs approximately 39 staff (25 field/14 professional) plus five management support personnel (two are part time executive positions). The section is divided into three functional program areas – engineering,

operations, and public services. The section is administered by a Public Works Manager who reports to the Deputy Director of Engineering Services (See Table 10).

Table 10
Sanitation District – Staff Organization

Executive	2.0
Management	3.0
Professional	14
Operations	25
Total Staff Years	44

The DPW sanitation district support arrangement has changed little in the past thirty years, but staffing levels have historically declined as former sanitation districts have been absorbed or reorganized due to incorporations or consolidation. Additionally, internal reengineering efforts, designed to more closely match resources to service need, have led to further reductions. This trend has stabilized in recent years. It now appears that staffing levels will fluctuate less and remain at or near current levels for the next five to ten years.

The County Public Works Department management-to-staff ratio for the Wastewater Section is approximately seven percent (excluding occasional executive charges) which is below the median ratio of twelve percent. Staff turnover is low, an indication of adequate working conditions, salaries, benefits and good employee morale.

All county sanitation districts are dependent districts governed by the San Diego County Board of Supervisors. The County Charter includes provisions that prohibit Board members or staff aides from interfering with County staff responsibilities and functions who work under direction from the County Chief Administrative Officer (CAO). Violations are an infraction and constitute misconduct in office that is enforceable by the District Attorney. However, these regulations are not intended to prevent Board members from seeking information and customer assistance. The CAO has established procedures for responding to Board member requests and /or constituent referrals.

Operations

Wastewater operations staff is called out to all sanitation district problems on a priority basis. They also perform routine maintenance on all district collection sewers and pump stations. This includes televised inspection of all sewer lines on a rotating basis. Sewage plant operators carry out daily inspections of treatment plant facilities and monitor treated effluent in compliance with Regional Water Quality Control Board regulations. A total of 339 miles of sewers are maintained by operations personnel. The operations unit has received recognition and awards from professional wastewater associations for excellence in small system operations. Within the past ten years, only one significant wastewater discharge violation notice has been issued by the Regional Water Quality Control Board for a sewage spill that exceeded 10,000 gallons per day (Alpine SD).

Public Information and Outreach

County sanitation district agendas and action proposals are generally considered by the Board of Supervisors on the second Wednesday of each month and available for public review on the County's website (see: Clerk of the Board). Where public notices and hearings are required, notification is provided via local print media or, in certain instances, through direct written notice as required by Proposition 218. District notifications are also provided to affected community planning groups and the County Planning Commission. Sanitation district staff occasionally appears before local planning groups, and business and civic associations to explain district programs and to answer questions regarding specific wastewater matters (e.g., rate increases, operational issues). As mentioned earlier, there is more limited public outreach concerning long range district plans and capital improvement programs.

The Department of Public Works website also includes information on wastewater operations, although it is of a general nature and not directed to individual specific sanitation districts. The DPW website discusses wastewater collection and treatment operations, but does not identify individual county sanitation districts, their budgets or current connection, and annual sewer service charges. Individual sanitation district customers are likely to have difficulty locating DPW wastewater and district operations because it is found only within the Engineering Division section of the website. The County should consider revising the DPW website so that useful information on each district is available and customer information can be easily located. Consideration should also be given to dissemination of annual or bi-annual public information reports on sanitation district activities to district customers.

Conclusions

The County Department of Public Works, Wastewater Management Section provides staff support services to the sanitation districts. This staffing arrangement is stable and morale appears to be good based on low turn over rates. Procedures have been adopted that regulate direct contact between Board offices and staff. Operations personnel maintain over 339 miles of sewers and have received recognition and awards from professional wastewater associations for excellence in small system operations. Improvements in public participation and outreach should be considered.

5. Fiscal Review

Revenue Sources and Reserves

Revenues

All units of local government – counties, cities, and special districts – are financially autonomous. Within the parameters of State Law, each local government has the ability to craft an individual fiscal policy and associated practices. Each agency is equally

empowered to make independent fiscal decisions; however, the agency is not equally empowered to generate the revenue to support those decisions.

Generally, special districts, as limited purpose agencies, are categorized as either enterprise or non-enterprise districts. Enterprise districts operate in a manner similar to a private entity where the cost of providing service is recovered through user fees or service charges. While each local agency determines its own rate and fee structure based on local circumstances, there should be a link or nexus between the amount of the fees or rates imposed and the cost of producing and delivering the service. Historically, the courts, as in *Shasta County v. Trinity County* 1980, have supported the relationship between fees and the cost of service delivery by stating, "... a fee which exceeds the reasonable cost of service is a disguised tax." Accordingly, rates and fees must be responsibly set to ensure that revenue will be sufficient to compensate for the cost of service provision. These districts do not rely, or only minimally rely, on property tax revenue to fund operating costs.

Conversely, non-enterprise districts, such as those providing fire protection and emergency medical, render services that benefit entire communities. Typically, those districts receive their revenue as an allocation of the property tax. While non-enterprise districts may impose special taxes and assessment charges, to do so they are subject to the provisions of Proposition 218, which stipulates that approval must be granted through the election process. Furthermore, approval requires either simple majority or a two-thirds majority to pass.

As limited purpose agencies, special districts may impose only the types of taxes, assessments, and fees that have been authorized through legislation. The revenue sources available to each class of special district are specifically defined in the different principal and special legislative acts. The range of revenue sources available to local agencies is a critical element in accruing funds. For limited purpose agencies, the revenue sources are scarce and generally restricted to specific, inflexible uses. County sanitation districts operate as enterprise agencies. User fees are the primary revenue source and are collected annually on the tax rolls. Revenues are used to cover administrative and operational costs. Connection and annexation fees are also collected and applied to the capital expansion fund. Grants and loans are used infrequently.

Reserves

In the context of this MSR, the term "reserves" refers to unrestricted funds that could be made available for whatever purposes deemed necessary by an agency's board of directors. On May 4, 2000, a Public Finance Special Report issued by Fitch IBCA (an International Rating Agency) recounted that, "Maintaining an operating reserve or 'rainy day fund' is perhaps the most effective practice that can enhance an issuer's credit rating." However, according to the Government Finance Officers Association, a significant level of reserve funds should not of itself be interpreted as evidence of overall economic health. For example, a local agency could increase a reserve fund by obtaining a long-term debt. Although rating agencies that evaluate an entity's creditworthiness are

likely to favor high reserve levels, other groups, consisting of taxpayers, citizens, or union members, may view high levels of reserves as an indication that taxpayers' money is being hoarded.

While the California Constitution and the statutes that empower local governments contain provisions for fiscal management, no standards for managing reserves have been adopted. Government Code Section 53600 et seq. defines the objectives for safeguarding principal, meeting liquidity needs, and achieving a return on investments, but offers no direction regarding accumulating or using reserve funds. While annually collecting local agency financial reports with information about reserves, the County Auditor does not assess the economic well being of individual agencies based on reported reserve fund levels. "Moreover, it appears there are no universally accepted standards upon which decision-makers may rely in determining what level of reserves to maintain" (Southern San Diego County Water and Sewer Municipal Service Review, Page 31). Even though no standards for reserve funds have been approved by the State, there is a widely accepted belief that decisions concerning these funds should be shaped by policy.

Sanitation District Sewer Service Charges

County sanitation districts which rely on Metro for sewage treatment and disposal (Spring Valley, Lakeside, Alpine) are vulnerable to Metro rate increases. Eventually, those increases will be passed along to district customers. The "Metro" sanitation district rate structures are generally divided into a local district collection rate and a Metro conveyance and treatment rate. Together, they comprise the annual sewer service charge. Metro rates are also vulnerable, in part, due to changing state and federal regulatory requirements. While the districts have control over the local district charges, they have very limited authority to influence treatment and disposal rates imposed by Metro. For this reason, sanitation district rates are subject to adjustment any time Metro rates change.

In 2002 and 2004, the Board of Supervisors approved annual sewer service charge increases for the Spring Valley, Lakeside, Alpine and Julian sanitation districts' customers, to be collected over a five year period. These increases ranged from 4 percent to 7.5 percent. The Pine Valley Sanitation District is scheduled for a rate review in the near future (see Section II (1), Area and Agency Descriptions).

County Sanitation District Reserves

Dependent sanitation districts are financed primarily through annual user fee assessments. This assessment method is authorized by the State Health and Safety Code (Section 5471). Additional funds may be obtained through grants, assessments, bonds and developer contributions.

Routine replacement or repair of sewerage systems and facilities is funded by annual sewer service charges (SSC). Replacement of facilities is usually required when facilities reach the end of their useful life. For the major facilities, that useful life varies from 25 to 60 years.

It is common industry practice that users of a sewer facility fund a capital replacement reserve. An appropriate way to do this is through setting aside a portion of the annual SSC so that funds are available for replacement projects when required.

Construction of new facilities or expansions of facilities to increase capacity are funded by new users through connection fees, developer contributions, assessments, bonds and other sources. There is currently no policy which specifically addresses purchase of additional Metro capacity. However, Board of Supervisors Policy I-99 does outline the requirements for an expansion reserve, which all the Metro Districts have. This reserve would be the likely funding source for purchasing additional Metro capacity. Due to increasing costs of Metro capacity and the potential likelihood that additional capacity may be needed in the future, establishment of a special Metro Capacity Purchase Reserve should be considered. This would help ensure that sufficient funds have been identified and would be available when needed.

In some instances, expansion required for additional capacity and replacement due to obsolescence or end of useful life may occur at the same time. In such cases, it is appropriate that costs be shared by both existing and future users. However, every effort is made so that existing users are not being required to fund facilities for expansion.

County sanitation districts follow replacement reserve practices consistent with Board of Supervisors Policy I-99. Policy I-99 details requirements for reserve accounts, which include the amounts necessary to fund a five-year capital improvement and maintenance program, as well as fund 50 percent of the annual operating budget. No governing policy is used for unrestricted assets.

Revenue Sources and Reserves

In regards to the Metro districts below, it should be noted that the Fund Balance at the end of FY 2003-04 represents, in addition to ongoing Operations & Management, funding for scheduled capital improvement projects, or carry-over funding for projects in process.

Spring Valley Sanitation District – Revenue Sources and Reserves

Revenue sources available to the Spring Valley SD include interest, annual sewer charges, service connection capacity charges, and service to property owners and recovered expenditures (annexation fees). A three year revenue summary, and summary of district reserves as of FY 2003-04 is shown in Table 11.

Table 11
SVSD Revenues and Reserves

Revenue Source	FY 2001-02	FY2002-03	FY2003-04
Interest	\$1,066,047	\$708,362	\$506,889
Sewer Charge	\$8,400,000	\$8,636,790	\$8,807,323

Capacity Charge	\$200,000	\$10,000	\$391,831
Prop. Owner Serv.	\$0	\$286,382	\$22,516
Other	\$3,404,000	\$481,335	\$471,129
TOTAL	\$13,070,047	\$10,122,869	\$10,199,688

Reserves	FY 2003-04
Replacement Reserve	\$1,514,437
Expansion Reserve	\$8,915,588
Fund Balance	\$22,544,165
TOTAL at Year End	\$32,974,190

Lakeside Sanitation District – Revenue Sources and Reserves

Revenue sources available to the Lakeside SD include interest, annual sewer charges, service connection capacity charges, and service to property owners and recovered expenditures (annexation fees). A three-year revenue/reserve summary is shown in Table 12.

Table 12
Lakeside SD Revenues and Reserves

Revenue Source	FY 2001-02	FY 2002-03	FY 2003-04
Interest	\$561,870	\$350,384	\$252,079
Sewer Charge	\$3,525,374	\$3,719,469	\$3,560,868
Capacity Charge	\$252,530	\$136,360	\$123,240
Prop. Owner Serv.	\$30,041	\$11,131	\$21,951
Other	\$102,049	\$766,316	\$388,933
TOTAL	\$4,471,864	\$4,983,660	\$4,347,071

Reserves	FY 2003-04
Replacement Reserve	\$6,464,642
Expansion Reserve	\$3,559,348
General Reserve	\$3,053
Fund Balance	\$6,546,056
TOTAL at Year End	\$16,573,099

Alpine Sanitation District – Revenue Sources and Reserves

Revenue sources available to the Alpine SD include interest, annual sewer charges, service connection capacity charges, and service to property owners and recovered expenditures (annexation fees). A three-year revenue/reserve summary is shown in Table 13.

Table 13
Alpine SD Revenues and Reserves

Revenue Source	FY 2001-02	FY 2002-03	FY 2003-04
Interest	\$259,064	\$161,898	\$110,840
Sewer Charge	\$791,478	\$792,976	\$806,262
Capacity Charge	\$76,790	\$31,230	\$25,275
Prop. Owner Serv.	\$0	\$0	\$12,051
Other	\$500	\$109,644	\$2,690
TOTAL	\$1,127,832	\$1,095,748	\$957,118

Reserves	FY 2003-04
Replacement Reserve	\$253,352
Expansion Reserve	\$1,093,626
Fund Balance	\$5,324,861
TOTAL at Year End	\$6,671,839

Julian Sanitation District – Revenue Sources and Reserves

Revenue sources available to the Julian SD include interest, annual sewer charges, service connection capacity charges, and service to property owners and recovered expenditures (annexation fees). A three-year revenue/reserve summary is shown in Table 14.

Table 14
Julian SD Revenues and Reserves

Revenue Source	FY 2001-02	FY 2002-03	FY 2003-04
Interest	\$7,073	\$9,006	\$2,966
Sewer Charge	\$168,675	\$178,633	\$192,125
Capacity Charge	\$0	\$0	\$4,000
Prop. Owner Serv.	\$31,415	\$16,000	\$250
Other	\$212,324	\$30,058	\$237,809
TOTAL	\$419,487	\$233,697	\$437,150

Reserves	FY 2003-04
Replacement Reserve	\$19,158
Expansion Reserve	\$0
Fund Balance	\$138,005
TOTAL at Year End	\$157,163

The large revenue variances under “Other” are due to a one-time discretionary cash infusion in 2002 to assist with wastewater treatment system upgrades, and funding from a USDA grant/loan in 2004 for completing the project.

Pine Valley Sanitation District – Revenue Sources and Reserves

Revenue sources available to the Pine Valley SD include interest, annual sewer charges, service connection capacity charges, and service to property owners and recovered expenditures (annexation fees). A three-year revenue/reserve summary is shown in Table 15.

Table 15
Pine Valley SD Revenues and Reserves

Revenue Source	FY 2001-02	FY 2002-03	FY 2003-04
Interest	\$6,089	\$3,473	\$2,471
Sewer Charge	\$51,923	\$79,026	\$75,331
Capacity Charge	\$0	\$0	\$400
Prop. Owner Serv.	\$0	\$2,153	
Other	\$0	\$250	
TOTAL	\$58,012	\$84,902	\$78,202

Reserves	FY 2003-04
Replacement Reserve	\$18,148
Expansion Reserve	\$0
General Reserve	\$5,859
Fund Balance	\$151,612
TOTAL at Year End	\$175,619

Other Funding Sources

Federal and state grants and loans are seldom used by the sanitation districts due to strict funding criteria and other constraints which generally favor much larger wastewater operations (e.g., Metro). In 2002, the Julian SD applied for and was awarded a federal grant/loan of approximately \$247,000 to complete wastewater treatment system upgrades. The project was completed in 2004. Grants and loans can be beneficial funding sources for the smaller districts that have difficulty generating revenue for expensive system improvements.

Purchase of Additional Metro Capacity

As mentioned earlier, purchase of additional Metro capacity may be required in the future if prior allocations become fully utilized. This could occur in the Lakeside or Alpine districts depending on rates of development activity. The cost per gallon of purchased Metro capacity continues to increase and should be monitored closely. Current

connection charges should also be reviewed periodically and adjusted to keep pace with rising Metro capacity purchase rates.

As used in this report, the term “Metro Capacity” refers to purchase of physical system capacity expressed in cost/gallon. This is not meant to imply that actual physical plant capacity would be available by Metro at the time it is needed.

Establishment of special Metro Capacity Reserve should be investigated, perhaps as a sub-component of developer funded capacity charges. A portion of these funds could be set aside in a reserve specifically for purchase of additional capacity. A similar procedure is utilized in the East Otay Mesa Sewer Maintenance District.

Conclusions

Based on review of each of the above sanitation district revenue and reserve statements, it appears - with the exception of the Julian and Pine Valley SD's - they are adequate to meet present and future service needs. Recent sewer service charge adjustments will provide sufficient revenues to meet future operational and planned capital expenses, and maintain district reserves at acceptable levels. The Julian and Pine Valley SD's should closely monitor revenue and reserve levels, and schedule periodic connection fee and annual service fee rate reviews to ensure district operations remain adequate. Service and rate reviews every two to three years should be considered. Establishment of a Metro Capacity Reserve should be investigated for the districts served by Metro.

6. Governance

Authority

The California Government Code authorizes the creation of special districts, which are units of government that often provide municipal services to areas that are unincorporated (i.e., not included in the boundary of a city). Nearly 30 different principal acts comprise the foundation for forming agencies having distinct capabilities to provide various public services. Each principal act defines a range of services that may be provided, delineates the territory that may be served, specifies the composition of the governing board, and details the procedures for adding or removing territory after district formation. With the introduction of State legislation in 1963, Local Agency Formation Commissions (LAFCOs) were established in each county and empowered to oversee the formation of new special districts.

Depending on the principal act under which it is formed, a special district may only provide specified services. For example, a municipal water district may provide fire protection services in addition to water, but is precluded from generating or transmitting electrical power. The service(s) a district provides also may be restricted or limited by LAFCO's responsibility to regulate latent powers, which are the services authorized by the principal act but not provided by the agency. In accordance with Government Code

Section 56824.10, special districts may submit a resolution to LAFCO requesting that the district be authorized to supply additional service(s).

County Sanitation Districts are authorized pursuant to California Health and Safety Code, Sections 4700-4859. Sanitation districts may acquire, construct, operate and maintain sewage collection, treatment and disposal works. They may also be used to provide for water production, storage and distribution, refuse transfer and disposal, and street cleaning services.

Board of Directors and Administration

Each special district has a degree of independence that allows it to govern without interference from other units of local government. Absent indictable criminal activity, the special district is accountable only to the electorate. The governing body of an independent special district is the Board of Directors. According to Elections Code Section 201, directors are required to be residents and registered voters in the district where the duties of office are exercised. Directors are elected to represent their constituency in making decisions affecting the district. Board members are elected to a specific term, sworn into office, and expected to adhere to laws governing the district as specified in the principal act. In addition, the Board may adopt by-laws, policies, ordinances, standards and other legal requirements in governing the district.

According to the Health and Safety Code, the county sanitation district Board of Directors shall be the County Board of Supervisors when the district includes no territory within a city or other sanitary district. Board of Supervisor members are not subject to the district residency requirements common to other special districts.

Often, a special district will hire a general manager, who conducts the district's daily business. Districts commonly have a clerk or secretary who is responsible for publishing hearing notices, taking accurate minutes of all meetings, and ensuring compliance with legal mandates.

The Board of Supervisors has designated the County Department of Public Works as the primary department responsible for provision of staff support services to the sanitation districts, including management, administration, engineering, planning, and operation and maintenance. Support from other county departments and/or consultants are also required from time-to-time (e.g., Auditor, Tax Collector, and Engineering support). The Clerk of the Board of Supervisors serves as the clerk/secretary to the sanitation districts.

As local agencies, special districts must comply with provisions of the Brown Act as specified in the California Government Code (refer to Conduct of Meetings in the next section.). Open meetings are held to permit scrutiny by constituents, to make board members accountable for decisions, and to offer a forum for public testimony, comments and complaints. Should a member of the public wish to register a legal complaint against a board member or the board as a whole, the method of recourse would entail contacting the affected board, Grand Jury and/or the District Attorney. Beyond legal action,

dissatisfied citizens can utilize the election process to remove seated members and change the board's composition.

Conduct of Meetings

Government Code Sections 54950 to 54962 govern the meetings that are conducted by public commissions, boards, and councils, as well as other public agencies that exist to aid in carrying out the people's business. Accordingly, it is the intent of the law that the deliberations and actions taken by those agencies be open, so that the people will be informed and retain control over the governmental institutions they have created.

District board meetings must be conducted in a manner that allows public attendance as well as an opportunity for the public to provide testimony. Specifically, Section 54953 stipulates that, "all meetings of the legislative body of a local agency shall be open and public and all persons shall be permitted to attend any meeting of the legislative body of a local agency." In addition, Section 54954.2 requires that prior to a regular meeting an agenda containing a brief description of each item of business to be conducted shall be posted. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public.

These requirements also pertain to special meetings. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting.

The Board of Supervisors has adopted Rules of Procedure which govern the conduct of all Board meetings, including meetings in which they act as the Board of Directors for the County Sanitation Districts. These procedures address the time and place for meetings, meeting agendas, order of business, public participation, parliamentary procedures and related matters. Sanitation District matters are scheduled for the second Wednesday of the month unless otherwise stated. Copies of agendas as well as agenda back-up materials are available from the Clerk of the Board, by mail subscription or via the County Internet Website.

Consolidating Services

Under certain circumstances, regional services could be reorganized or consolidated to gain service efficiencies and cost savings. This is particularly true when multiple agencies within a geographic region either provide the same or similar services, or could be empowered to provide the same or similar services. A primary objective of LAFCO is to review ways to reorganize, simplify, and streamline governmental structure, so that public services are efficiently and economically provided to area residents.

Spring Valley Sanitation District

As stated in LAFCO's Southern San Diego County Water and Sewer Municipal Service Review, adopted February 2, 2004, the Otay Water District and SVSD share service responsibility in portions of the Jamacha Basin. Determination 7.10 in that MSR

recommended that consolidation of sewer service responsibilities in the Jamacha Basin is evaluated further. That determination appears to still have validity and is continued as a recommendation in this County Sanitation District MSR and sphere update. No further opportunities for service consolidation in the SVSD have been identified.

Lakeside Sanitation District

The previous section discussed the recent reorganization of service responsibilities between Padre Dam MWD and Lakeside SD. Two additional areas could be candidates for service consolidation. The first is a residential area served by Padre Dam MWD within the Lakeside community east of Riverford Road and north of Riverside Drive. This area was omitted from the recent boundary change but might still be more efficiently served by Lakeside SD. The second consolidation candidate would consist of merging the Wintergardens Sewer Maintenance District into the Lakeside SD. This suggestion would require further study to determine feasibility and public acceptance, and is beyond the scope of this report.

Alpine Sanitation District

No opportunities for consolidation have been identified.

Julian Sanitation District

The Julian SD and the Julian Community Services District (water) share similar boundaries. Service consolidation should be considered. Additional financial and service review would be required to determine feasibility and public acceptance.

Pine Valley Sanitation District

No opportunities for consolidation have been identified.

Conclusions

The Board of Supervisors serves as the governing body for the County sanitation districts. The Board has adopted procedures which govern the conduct of sanitation district meetings, including the time and place of meetings, agendas, public participation and related matters. Copies of agendas are back-up materials available from the Clerk of the Board, by mail or from the internet. Consolidation of sewer service responsibilities between the Otay WD and Spring Valley SD in the Jamacha Basin should continue to be evaluated. Additional consolidation opportunities in the Lakeside and Julian sanitation districts would require further study to determine feasibility and public acceptance. Finally, consideration should be given to investigating the potential for consolidation of all the “Metro” sanitation districts (Spring Valley, Lakeside, Alpine and Wintergardens SMD) into a single county sanitation district. The rate structures and service delivery aspects are reasonably similar among each of the districts and there appears to be

opportunity for improved economy and efficiency. Further investigations would be required to determine feasibility and public acceptance.

SECTION III: MSR DETERMINATIONS

GOVERNMENT CODE SECTION 56430

Government Code § 56430 requires LAFCO to conduct comprehensive reviews of municipal services and prepare a written statement of determinations for nine categories of inquiry. 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."¹ The determinations are based on a comprehensive analysis of local agency service information. This evaluation establishes the basis for commission determinations and conclusions about the adequacy of service provision. The commission, other agencies, or the public may use the determinations to provide guidance for future decisions; however, the determinations themselves do not represent recommendations for action.

Services

In 2004, LAFCO staff asked the County of San Diego, Public Works Department to complete a Request for Information (RFI). The RFI process is used as the primary method for collection of agency data and information in preparing the MSR. In response to LAFCO's RFI, the County provided information for each of the sanitation districts governed by the Board of Supervisors. Also included was information related to other County wastewater operations not subject to MSR review (e.g., Campo).

Review of the RFI, along with additional research and staff discussions, shows that County sanitation district activities are limited to sewer collection and treatment operations only. There are no plans at this time to provide additional services in any of the districts pursuant to latent power provisions that would require LAFCO approval. No service overlaps have been identified, but some adjoining agencies (e.g., Otay WD, Chula Vista) share and depend on continued use of sanitation district facilities - such as the regional outfall sewer operated by the Spring Valley Sanitation District.

Geographic Region

County sanitation district operations are generally located in the eastern and southern portions of the San Diego region. The SVSD and Alpine SD are located within Sweetwater River watershed, while the Lakeside SD and Julian SD are situated in the San Diego River watershed. Pine Valley SD is located in the Tijuana River watershed. Collectively, these sanitation districts comprise a small fraction of the unincorporated watershed areas in which they are located. With minor exception these districts are not expected to change appreciably in the foreseeable future.

¹ *Final Local Agency Formation Commission Municipal Service Review Guidelines*, Governor's Office of Planning and Research, August 2003, pg. 44

DETERMINATION 1: INFRASTRUCTURE NEEDS OR DEFICIENCIES

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO's core missions — encouraging the efficient provision of public services. Infrastructure needs or deficiencies, which refers to the adequacy of existing and planned public facilities in relation to how public services are – and will be – provided to citizens, impacts the efficient delivery of public services. For an MSR, “adequate level of service” is defined as the norm for the area under study. Infrastructure can be evaluated in terms of capacity, condition, availability, quality; and correlations among operational, capital improvement, and finance plans. It is recognized that there may be unmet infrastructure needs due to budget constraints or other factors; nevertheless, identification of deficiencies may promote public understanding and support for needed improvements.

Regional

Determination 1.0

With the exception of the Julian Sanitation District, no significant infrastructure needs or operational deficiencies have been identified in the Spring Valley, Lakeside, Alpine and Pine Valley Sanitation Districts. Service levels appear adequate to meet current needs, and facility and financing plan procedures are in place to address future conditions. Existing facilities are maintained (or replaced) by operations staff who utilizes good equipment, technology, (e.g., video system inspections, early warning devices) and safety procedures to keep district systems operational.

The County Wastewater Management “Operational & Management” unit has been recognized for these efforts as recipient of numerous awards for local wastewater collection operations. There has been one significant wastewater discharge violation issued by the Regional Water Quality Control Board in the last ten years. In this report significant violation means an unauthorized sewer discharge exceeding 10,000 gallons per day resulting in warnings, fines or penalties. This occurred in 2002 and concerned a sewer spill within the Alpine Sanitation District's Galloway Pump Station/Force Main system. This problem was corrected with construction of a new force main sewer.

Determination 1.1

Planning for future facility needs appears adequate for the individual sanitation districts; however, these plans seldom are presented to district ratepayers or the Board of Supervisors for review and approval. Procedures should be developed that provide for public review of these plans prior to preparation of individual capital improvement programs and possible rate adjustments that may be necessary for plan implementation.

Determination 1.2

Septic disposal problem areas within or bordering individual sanitation districts are not routinely reviewed or mapped for use in the facility planning process. Service extensions/annexations resulting from septic failures are usually handled on a case-by-case basis. This result in numerous individual annexation/concurrent sphere amendment applications presented to LAFCO. Inclusion of this information in the planning process, and dissemination to property owners, could help to bring about more collective annexation proposals (and cost reductions) and better coordination of sewer extension facilities to septic system problem areas.

Recent (GIS) mapping improvements being developed by the County's Environmental Health Department will benefit this situation in the future. Septic problem area maps currently being developed can be a valuable planning tool for future master plan updates and sphere of influence reviews. This information might help increase the potential for more collective annexation proposals, thereby reducing LAFCO processing cost for individual property owners.

A systematic review of existing or potential septic problems areas should be conducted for use in the facility plan update process. Inclusion of this information will also be useful to LAFCO in future sphere of influence review updates, and may help encourage more collective annexation opportunities and associated cost reductions.

Local

Determination 1.3

The Julian Sanitation District treatment facility is operating at maximum capacity and no additional connections are permitted except documented septic failures and a few pre-approved sewer capacity commitments. Operating expenses are high and continue to increase due to increasing labor and energy cost, and to remain in compliance with water quality discharge regulations. Sewer service charge increases will likely be required on a frequent basis just to maintain current operations. When combined, lack of significant capacity demands, community support and financing constraints suggest the wastewater treatment plant will remain at current capacity levels for the foreseeable future. Therefore, while treatment plant deficiencies exist, Board of Supervisor Policy I-113 provides an adequate growth management tool to protect and manage current sewer capacity limitations.

DETERMINATION 2: GROWTH & POPULATION PROJECTIONS FOR THE AFFECTED AREA

Efficient provision of public services is linked to an agency's ability to plan for future need. For example, a water purveyor must be prepared to supply water for existing and future levels of demand, and also be able to determine where future demand will occur. Municipal service reviews give LAFCO, affected agencies, and the public the means to

examine both the existing and future need for public services and to determine whether projections for future growth and population patterns are integrated into service planning functions.

Projected growth increases translate into increased need for services, and the need to anticipate where services will be required, especially in areas where no services currently exist. Since service demand influences both location and capacity of future public facilities, it is important that agreed upon population and development forecasts serve as the corner stone of the region's planning processes.

Regional

Determination 2.0

Since population projections anticipate increases for the year 2020, strategic wastewater system planning is vital to maintain seamless service provision. The County Public Works Department provides planning and operational support for each of the sanitation districts subject to this MSR. The facility planning process is repeated approximately every ten years for the larger sanitation districts – Spring Valley SD, Lakeside SD and Alpine SD. The smaller districts (Julian and Pine Valley) are reviewed on an as needed basis. The updated plans generally cover a ten-year time frame for identification of near or longer term capital project requirements. General plan land use and population projections are examined and incorporated into the planning process each time an update occurs.

Determination 2.1

The authority to carry out land use and wastewater facility planning activities within a single agency (i.e., County of San Diego) promotes coordination between planning and service delivery functions. The County's Planning and Land Use and Public Works Wastewater management staff coordinate between their respective planning functions. This coordination is improved further through numerous Board of Supervisor policies which address matters such as land use and wastewater facility locations, timing and capacity limits. The projected population goals for the sanitation districts appear to be in general agreement with the community planning goals within each respective sewer service area.

Determination 2.2

While internal planning coordination occurs within the County, problems can arise when land use plan updates (e.g., GP 2020) and wastewater facility plan updates occur during different time intervals. This occurred recently when preparation of the facility plans utilized regional instead of approved local area population projections (the County's CPA forecasts were not available). Since general plan updates occur at more infrequent intervals than the recurring ten year wastewater facility plan reviews, it is important that,

to the extent possible, pre-agreed upon population and land use projections be incorporated into the wastewater planning process.

During preparation of the next ten year facility plan, approved GP 2020 land use and population projections will be utilized. This should reduce or eliminate further facility planning coordination problems.

Local

Determination 2.3

Since it is likely that in the future the Lakeside and/or Alpine sanitation districts will need to purchase additional Metro capacity, careful consideration of plans, population projections, and review of current development based charges is necessary. To ensure that sufficient funds have been identified and available when needed, establishment of a special Metro Capacity Purchase Reserve fund should be evaluated. One method to consider would be to obtain funding as a component of developer financed capacity purchase. A similar procedure already is used for the East Otay Mesa Sewer Maintenance District.

Determination 2.4

The Lakeside and Alpine sanitation districts, in conjunction with the GP 2020 effort, should coordinate a comprehensive review of Board Policy I-106. Sewer conveyance problems, which led to the adoption of the policy, have been resolved through downstream system improvements. Moreover, interim facilities constructed in conjunction with the original policy (e.g., Lakeside flow Equalization Facility) have been removed from service.

Although the problems which originally prompted the need for the policy were resolved, the policy has not been rescinded. Instead, it has evolved into an instrument used by the local planning groups to regulate growth and annexation activity in the Lakeside and Alpine sewer service areas. Because the policy no longer applies and is now invoked for a completely different purpose than its original intent, the policy should be evaluated and revised/deleted prior to its 2009 scheduled review date.

DETERMINATION 3: FINANCING CONSTRAINTS AND OPPORTUNITIES

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

Regional

Determination 3.0

County sanitation districts are financed primarily through annual sewer service charges, which are included with annual property tax statements. This method of billing is authorized under the State Health and Safety Code (Sec. 5471). As an enterprise district, sewer service charges are not considered a property assessment. These annual charges are used to cover on-going operation and maintenance costs, including Metro charges. A portion of these charges are set aside in operational reserve accounts to cover facility replacements and upgrades, and for unanticipated expenses (e.g., system emergencies and breakdowns).

Long-term financing tools such as issuance of bonds, or loans are seldom used. The same is true for grant programs. This is, in part, due to the smaller customer base of several of the districts, and the absence of large scale treatment and disposal facilities. With exception of the Julian and Pine Valley, the other sanitation districts are managed as sewage collection and conveyance operations which rely on Metro for treatment and disposal.

Recent five year rate increases for the Spring Valley, Lakeside and Alpine sanitation districts appear adequate to meet operating requirements for the next several years. Julian and Pine Valley sanitation districts should schedule rate reviews on a periodic basis, such as every two to three years. Due to the higher per customer cost of operating sewage treatment and disposal facilities in these smaller districts, in conjunction with a limited user revenue base, periodic rate reviews will help ensure these districts remain self sustaining.

Determination 3.1

Construction of new facilities or expansion of existing facilities to accommodate new growth are funded by new users through connection fees, developer contributions, assessments, bonds and other sources. In some instances where system upgrades are constructed in response to new growth, as well as to replace older or deteriorating facilities, costs may be shared by both existing and future users.

In 2004, Spring Valley, Lakeside and Alpine sanitation districts undertook a review of the capacity and annexation fee structure. Annexation fees were adjusted to reflect the actual number of EDUs to be served rather than continued use of acreage fees. Capacity fees were also adjusted based on review of existing capacity reserve accounts, value of district assets and planned facility needs - as identified in the individual district facility plans. These fee adjustments appear adequate to meet future district capacity requirements. Julian and Pine Valley sanitation districts should review capacity fee

structures on the same three year timetable as recommended above (may not apply to Julian SD as long as a moratorium remains in effect).

Determination 3.2

As discussed in Section II (5), Fiscal Review, county sanitation district reserves are classified under the categories of replacement reserve and expansion reserve. Reserve practices are consistent with Board of Supervisors Policy I-99 which sets forth the requirements for the various accounts. Reserve amounts must be sufficient to fund a five-year capital improvement and maintenance program, and at least 50 percent of each districts annual operating budget.

County sanitation district reserve practices appear adequate to meet current and projected five year needs in regards to the Metro districts. The Julian and Pine Valley sanitation districts, due to their limited size and customer base, frequently have difficulty maintaining sufficient reserves. As suggested above (Determination 3.0), periodic rate reviews should be conducted and adjusted to reflect changing conditions and reserve requirements for these remote operations.

Determination 3.3

County sanitation districts which rely on Metro for sewage treatment and disposal (Spring Valley, Lakeside, Alpine) are vulnerable to rate increases which are passed along to district customers. The “Metro” sanitation district rate structures are generally divided into a local district collection rate and a Metro conveyance and treatment rate. Together, they comprise the annual sewer service charge. Metro rates are also vulnerable, in part, due to changing state and federal regulatory requirements. While the districts have control over the local district charges, they have very limited authority to influence treatment and disposal rates imposed by Metro. Therefore, sanitation district rates are subject to adjustment at any time Metro rates may change.

DETERMINATION 4: COST AVOIDANCE OPPORTUNITIES

LAFCO’s role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. Municipal service reviews explore cost avoidance opportunities including, but not limited to: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, buildings, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing.

Regional

Determination 4.0

The Spring Valley Sanitation District, City of Chula Vista and Otay Water District should pursue strategies for cost avoidance when planning for extension of sewer service to Otay Ranch Village 13. Opportunities exist to cooperate in planning for the joint provision of services to the Otay Ranch area. The County, Otay Water District and City of Chula Vista should work together to avoid duplicating infrastructure and operational costs.

Determination 4.1

The Alpine and Lakeside sanitation districts, and the Padre Dam MWD, should continue with their cooperative infrastructure planning efforts, and should work together to identify future opportunities to expand water reclamation programs throughout the upper San Diego River basin. Presently, water reclamation services are provided primarily to customers within the City of Santee. As growth and development continue to expand the need for sewer service throughout the basin, the potential to expand water reclamation activities should be closely examined as an alternative to continued Metro treatment and disposal. This may help to stabilize costs and provide a needed resource to partially offset imported water demand, and rising imported water costs.

DETERMINATION 5: OPPORTUNITIES FOR RATE RESTRUCTURING

When applicable, the municipal service review will review agency rates, which are charged for public services, to examine opportunities for rate restructuring without impairing the quality of service. Agency rates will be scrutinized for: (1) rate setting methodologies; (2) conditions that could impact future rates; and (3) variances among rates, fees, taxes, charges, etc., within an agency and region. Service reviews will identify strategies for rate restructuring, which would further the LAFCO mission of ensuring efficiency in providing public services.

Regional

Determination 5.0

In 2002 and 2004, sewer service charges were increased in the Julian, Spring Valley, Lakeside and Alpine sanitation districts. For Julian a 5 percent increase per year was adopted over a five year period. For the Lakeside and Alpine sanitation districts a 7.5 percent per year increase was approved over a five year period. The Spring Valley increase was 4 percent per year over a five year period.

The last increases occurred in 1990 (Julian), 1992 (Alpine) and 1997 (Lakeside and Spring Valley). The objective is to ensure financial stability to enable continuation of adequate wastewater collection and disposal operations, to avoid potential sewage spills, system outages and associated water quality and/or public health problems.

For the “Metro” districts (Spring Valley, Lakeside, Alpine) these increases appear sufficient to provide continued service for the next several years. However, the Julian and Pine Valley sanitation districts should begin a rate review process in the next 1-2 years to ensure rates remain in line with increasing operational costs.

Determination 5.1

During the next sewer service charge and adjustment review process, those sanitation districts which rely on Metro for treatment and disposal should undertake a comprehensive review of the need for and ability to pay for purchase of additional capacity, should it be required. The facility plan reviews summarized in Section II (3) did not indicate the need for additional capacity at this time, but this matter needs to be closely monitored in the future.

Current capacity fee charges used to finance growth related improvements are generally based on system buy-in and system facility costs. Future Metro capacity costs do not appear to be factored into the capacity rate setting process. Until recently this was not considered a problem of significance in rate review. However, the cost per gallon of purchased Metro capacity has risen rapidly in recent years. Close monitoring of Metro capacity costs will hopefully result in future cost avoidance through adoption of capacity fee charges that fully reflect the overall costs for wastewater collection at the district level, and conveyance, treatment and disposal at the regional (Metro) level.

DETERMINATION 6: OPPORTUNITIES FOR SHARED FACILITIES

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources, such as communication centers, wastewater treatment facilities, and distribution lines. Sharing both facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimizes unnecessary resource consumption. The service review inventories facilities in the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning future shared facilities and services are also considered.

Regional

Determination 6.0

The Spring Valley, Lakeside and Alpine sanitation districts share common administrative, engineering and maintenance personnel and equipment through the County Public Works Department. Administrative and engineering offices are located at the County’s Operations Center in the Kearny Mesa area of San Diego. Operations and maintenance facilities are located at the Spring Valley Operations Center located near the intersection of Highway 94 and Jamacha Road in the Rancho San Diego area.

Determination 6.1

The Spring Valley Sanitation District currently maintains system interconnection agreements with the cities of San Diego, Chula Vista, Lemon Grove, La Mesa, National City and the Otay Water District which, collectively, utilize the Spring Valley Outfall Sewer for connection to Metro. The Lakeside and Alpine sanitation districts maintain interconnection agreements with the City of San Diego and the Padre Dam MWD for conveyance of wastewater from the Upper San Diego River basin to the Metro system.

Determination 6.2

The agencies mentioned above are Participating Agencies in the Metro system and remain individually responsible for fair share costs of Metro capital, operating and maintenance expenses. These costs are normally referred to as “Metro fees”. These agencies also participate on the Metro Commission, which meets monthly and are provided opportunity to review and provide comments of Metro related costs that affect individual agency operations.

DETERMINATION 7: GOVERNMENT STRUCTURE OPTIONS, INCLUDING ADVANTAGES AND DISADVANTAGES OF CONSOLIDATION OR REORGANIZATION OF SERVICE PROVIDERS

The municipal service review provides a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided. While the service review does not require LAFCO to initiate changes of organization based on service review finding, LAFCO, local agencies, and the public may subsequently use service reviews to pursue changes to services, local jurisdictions, or spheres of influence. LAFCO may examine efficiencies that could be gained through: (1) functional reorganizations within existing agencies; (2) amending or updating spheres-of-influence; (3) annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Government Code § 56000 et. seq.

Regional

Determination 7.0

In Section II (6), Governance, the review of consolidation opportunities referenced the LAFCO 2004 determination regarding the potential for consolidation of service responsibilities between the Spring Valley Sanitation District and the Otay Water District in the Jamacha Basin. This determination still appears to merit further study and should be investigated further.

Determination 7.1

Section II (6), Governance also summarized the recent reorganization of service responsibilities between Padre Dam MWD and Lakeside SD. Two additional areas are potential candidates for service consolidation. The first is a residential area served by Padre Dam MWD within the Lakeside community east of Riverford Road and north of Riverside Drive. This area was omitted from the recent boundary change but could still be more efficiently served by Lakeside SD. The second consolidation option would consist of merging Wintergardens Sewer Maintenance District into the Lakeside SD. These potential service consolidations would require further study to determine feasibility and public acceptance.

Determination 7.2

The Julian Sanitation District and Julian Community Services District (water) share similar boundaries. Opportunities for service consolidation should be considered based on further financial and operational review.

Determination 7.3

Consideration should be given to investigating the potential for consolidation of all the “Metro” sanitation districts (Spring Valley, Lakeside, Alpine and Wintergardens SMD) into a single county sanitation district. The rate structures and service delivery aspects are reasonably similar among each of the districts and there appears to be opportunity for improved economy and efficiency. Further investigations would be required to determine feasibility and public acceptance.

DETERMINATION 8: EVALUATION OF MANAGEMENT EFFICIENCIES

Management efficiency refers to the organizational effectiveness of service delivery. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review evaluates management efficiency by analyzing agency functions, operations, and practices – as well as the agency’s ability to meet current and future service demands. Services will be evaluated in relation to available resources and consideration of service provision constraints.

Regional

Determination 8.0

The County Public Works Department management-to-staff ratio for the Wastewater Section is approximately 7 percent (excluding occasional executive charges), which is

below the median ratio of 12 percent. Staff turnover is low, an indication of adequate working conditions, salaries, benefits and good employee morale.

Determination 8.1

County sanitation districts currently implement Board of Supervisors Policy I-99: “Expenditures and Use of Revenue for Replacement and Expansion of Liquid Waste Facilities”. This policy addresses permitted uses of expansion and replacement reserves for facility upgrades, but does not mention rate stabilization as a possible policy objective. The policy for replacement reserves provides funding for 50 percent of district annual operating costs and undesignated fund balance to meet unexpected cost increases.

Determination 8.2

The County of San Diego Charter includes provisions which prohibit Board of Supervisor members, or staff, from interfering with employees. Violations are an infraction and constitute misconduct in office that is enforceable by the District Attorney.

Local

Determination 8.3

Due to their small size, remote location and high operating costs, sewer service charges for the Julian and Pine Valley sanitation districts should be evaluated at least every three to four years, or more frequently as local conditions may require. Periodic reviews will help to identify operational cost changes that may necessitate district rate adjustments, and provide opportunity for early community feedback before initiation of the formal rate adjustment process (i.e., Proposition 218).

DETERMINATION 9: LOCAL ACCOUNTABILITY AND GOVERNANCE

In making a determination of local accountability and governance, LAFCO will consider the degree to which local accountability is fostered in the region. Local accountability and governance refers to public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering rate changes, work and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations, and disclose results to the public.

Regional

Determination 9.1

The County Board of Supervisors have well established procedures and good accessibility for obtaining public input on sanitation district agenda items. The second

Wednesday of each month is specifically set aside to consider individual sanitation district matters, except during the Board's annual budget deliberation process which is advertised at different times for individual County functional groups and departments.

Determination 9.2

County sanitation districts should implement website access programs to make them more visible and accessible to the public.

Internet based information on the County sanitation districts can only be obtained from the County of San Diego website. Web information regarding the County sanitation districts is minimal and obscured under layers of County of San Diego and Department of Public Works information.

Determination 9.3

To enhance public outreach, consideration should be given to preparation of annual or bi-annual public information reports on sanitation district activities for distribution to customers.

Other than limited website information discussed above, the County does not provide general customer information in the form of an annual report or other public information tools which are commonly used in other special district settings. Such information would help customers better understand the sewage collection and treatment process, relationship to Metro programs and how revenues are collected and utilized by the individual districts.

SAN DIEGO LAFCO MUNICIPAL SERVICE REVIEW GUIDELINES

I. PURPOSE

To provide guidance to the San Diego Local Agency Formation Commission (LAFCO) in preparing and conducting municipal service reviews.

II. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review municipal services. The requirement for service reviews is in response to the identified need for a more coordinated and efficient public service structure, which will support California's anticipated growth. The service review provides LAFCO with a tool to comprehensively study existing and future public service conditions, and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided.

III. GOALS and OBJECTIVES

Effective January 1, 2001, Government Code Section 56430 requires LAFCO to conduct municipal service reviews and prepare a written statement of determination with respect to each of the following:

- A. Infrastructure needs or deficiencies;
- B. Growth and population projections for the affected area;
- C. Financing constraints and opportunities;
- D. Cost avoidance opportunities;
- E. Opportunities for rate restructuring;
- F. Opportunities for shared facilities;
- G. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- H. Evaluation of management efficiencies; and
- I. Local accountability and governance.

The municipal service review process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of public services per the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations to pursue changes to services, local jurisdictions, or spheres of influence.

IV. WHEN PREPARED

LAFCO will determine when municipal service reviews are necessary. Generally, reviews will be prepared in conjunction with sphere of influence studies or updates; however, service reviews may also be conducted independent of the sphere of influence process. LAFCO will conduct service reviews independent of the sphere of influence updates based on a number of factors, including but not limited to: concerns of affected agencies, the public, or LAFCO; public demand for a service review; public health, safety or welfare issues; and service provision issues associated with areas of growth and/or development. A list of the relevant factors of analysis that may be considered during the preparation of service reviews is attached.

Minor amendments to a sphere of influence, as determined by LAFCO, will not require a municipal service review.

V. SERVICES ADDRESSED

Municipal service reviews will address identified services within the service review boundary, which are generally associated with growth and development. Target services include, but are not limited to, water, sewer, drainage, libraries, roads, parks, police, and fire protection. General government services such as courts, social services, human resources, treasury, tax collection, and administrative services will generally not be included. LAFCO will determine which services will be included in each service review.

VI. AGENCIES INCLUDED

Local agencies that are subject to LAFCO review, or are required to have a sphere of influence, are subject to municipal service reviews.

VII. BOUNDARIES

LAFCO will determine the final geographic boundary and agency(ies) that will be the subject of a service review. Factors that may be considered in determining a service review boundary include, but are not limited to: existing city and special district jurisdictional and sphere boundaries; topography; geography; community boundaries; tax / assessment zones; infrastructure locations; transportation systems and roads; areas with shared facilities; areas with shared social and economic communities of interest; plus other factors as determined by LAFCO.

LAFCO will consider information received from affected agencies and public scoping meetings when determining boundaries. Generally, service reviews will be conducted for sub-regional areas within the County of San Diego; however, a service review may be done for a single agency, multiple agencies, subregional areas, or on a countywide basis. Agencies that have service provision issues related to a current service review, as identified by LAFCO, will

be included in the service review. Service reviews addressing multiple services may have separate geographic boundaries established for each service.

VIII. ENVIRONMENTAL DETERMINATION

Local agencies that submit municipal service review proposals to LAFCO will be considered lead agencies for purposes of environmental review and should approve whatever environmental determination is appropriate under the California Environmental Quality Act (i.e., exemption, negative declaration, environmental impact report).

IX. PREPARATION

- A. LAFCO will determine the priority, schedule, procedure and content for service reviews.
- B. As part of the budgetary process, LAFCO will develop a priority work plan of service reviews to be addressed during the fiscal year. LAFCO may alter the annual service review work program at any time in response to changing circumstances, new information, or direction from the Commission. During the budgetary process, LAFCO staff will inform those agencies that may be listed on the annual priority work plan.
- C. LAFCO will mail a survey/questionnaire to the affected agency(ies) identified in the service review work plan.
- D. LAFCO may hold public scoping meetings, as necessary, for selected service reviews to gather additional input on the following issues:
 - 1. Additional agencies to be included within a service review;
 - 2. Geographic area of a service review;
 - 3. Concerns of affected agencies; and
 - 4. Areas of concern to be addressed in a service review.

Public notice will be given for scoping meetings. All affected agencies, interested agencies, and persons or entities requesting notice will receive a mailed notice.

- E. Municipal service reviews will fall into two general categories:
 - 1. **Routine reviews** are anticipated to be uncomplicated and straightforward with few concerns about the adequacy of public services. Routine service reviews may be conducted for single agencies or for multiple agencies that provide similar services. The boundary of a routine service review may cover a sub-region, region, or the County of San Diego.

2. **Intensive reviews** are anticipated to require detailed analysis of complex and controversial issues. Categorizing a service review as *intensive* may be the result of analysis of pending LAFCO proposals, or of service provision concerns otherwise identified by LAFCO, other agencies, or the public.
- F. LAFCO may establish a service review committee to provide technical and/or policy advice to LAFCO staff. The service review committee may consist of LAFCO Commissioners from each representative category (county, cities, special districts, and the public). The committee may be expanded to include representatives from the LAFCO Special Districts and Cities Advisory Committees and/or other members as determined by LAFCO. When serving on the service review committee, all committee members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole, and not solely the interests of the type of agency or organization they represent.
- G. LAFCO staff will prepare a final municipal service review report that includes the determinations required by State Law. The report may identify future studies or actions, which LAFCO or other agencies may take to implement the recommendations of the report. All service review reports will be available for a public review period prior to being considered by the appropriate advisory or decision-making body. The Commission will consider the municipal service review report and determinations at a noticed public hearing. The report will be available for a public review period prior to the hearing.
- H. San Diego LAFCO has established a fee for conducting municipal service reviews. If necessary, LAFCO may recover reasonable costs for preparation of a service review study beyond the adopted fee. For any service review that may involve costs beyond the standard LAFCO fee, LAFCO staff will prepare a scope of work and schedule with an estimate of reasonable costs associated with conducting the service review.

Adopted: April 8, 2002
Technically Updated: June 26, 2002

FACTORS OF ANALYSIS

Municipal Service Review Determinations

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to conduct reviews of municipal services and make nine written determinations. The following factors to be considered provide examples of how San Diego LAFCO will fulfill the determination requirement.

Determination 1: Infrastructure needs or deficiencies

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO's core missions—encouraging the efficient provision of public services. Infrastructure needs or deficiencies, which refers to the adequacy of existing and planned public facilities in relation to how public services are, and will be, provided to citizens, impacts the efficient delivery of public services. Infrastructure can be evaluated in terms of capacity, condition, availability, quality, and correlations among operational, capital improvement, and finance plans. It is recognized that there may be unmet infrastructure needs due to budget constraints or other factors; however, identification of deficiencies may promote public understanding and support for needed improvements.

Determination 2: Growth and population projections for the affected area

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

Determination 3: Financing constraints and opportunities

LAFCO must weigh a community's public service needs against the resources available to fund the services. During the municipal service review, the financing constraints and opportunities, which have an impact on the delivery of services, will be identified and enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, a service review could reveal that two or more water agencies that are each deficient in storage capacity and, which individually lack financial resources to construct additional facilities, may benefit from creating a joint venture to finance and construct regional storage facilities. Service reviews may also disclose innovations for contending with financing constraints, which may be of considerable value to numerous agencies.

Determination 4: Cost avoidance opportunities

LAFCO's role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. The municipal service

review will explore cost avoidance opportunities including, but not limited to: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, buildings, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing.

Determination 5: Opportunities for rate restructuring

When applicable, the municipal service review will review agency rates, which are charged for public services, to examine opportunities for rate restructuring without impairing the quality of service. Agency rates will be scrutinized for: (1) rate setting methodologies; (2) conditions that could impact future rates; and (3) variances among rates, fees, taxes, charges, etc., within an agency and region. Service reviews will identify strategies for rate restructuring, which would further the LAFCO mission of ensuring efficiency in providing public services.

Determination 6: Opportunities for shared facilities

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources. For example, service providers in San Diego County currently share communication centers, wastewater treatment facilities, and distribution lines. Sharing facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimizes unnecessary resource consumption. The service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services will also be considered.

Determination 7: Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers

The municipal service review provides a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided. While the service review does not require LAFCO to initiate changes of organization based on service review finding, LAFCO, local agencies, and the public may subsequently use service reviews to pursue changes to services, local jurisdictions, or spheres of influence. LAFCO may examine efficiencies that could be gained through: (1) functional reorganizations within existing agencies; (2) amending or updating spheres-of-influence; (3) annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Government Code § 56000 et. seq.

Determination 8: Evaluation of management efficiencies

Management efficiency refers to the effectiveness of an agency's internal organization to provide efficient, quality public services. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review will evaluate management efficiency by analyzing agency functions, operations, and practices—as well as the agency's ability to meet current and future service demands. Services will be evaluated in relation to available resources and consideration of service provision constraints.

Determination 9: Local accountability and governance

In making a determination of local accountability and governance, LAFCO will consider the degree to which the agency fosters local accountability. *Local accountability and governance* refers to public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering rate changes and work and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations, and disclose results to the public.

LEGISLATIVE POLICY**L-106****Subject:**

STRATEGY FOR CONDUCTING AND USING MUNICIPAL SERVICE REVIEWS

Purpose

To establish a framework that will assist the Local Agency Formation Commission in the preparation of municipal service reviews, while maintaining a focus on the service review determinations specified in State Law.

Background

AB 2838 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) requires Local Agency Formation Commissions to conduct countywide, regional, or sub-regional municipal service reviews either before, or in conjunction with, sphere updates to help ensure the efficient provision of local governmental services. The process of information collection, data analysis, and development of the service review determinations requires a high level of participation and cooperation between San Diego LAFCO and local agencies.

Policy

It is the policy of the San Diego Local Agency Formation Commission to use the following six strategies to assist in the preparation of municipal service reviews:

1. *Scope of Work:* In order to successfully manage the data collection and analysis processes and guide service reviews toward timely completion, each service review should have a well-defined scope of work that incorporates the following:
 - a. Develop and adhere to a realistic and manageable scope of work.
 - b. Define the services to be reviewed.
 - c. Identify unambiguous geographic boundaries for study areas.
 - d. Define the time period under review.
 - e. Defer review of services or service providers, which are marginally related to the pending service review, to subsequent service reviews, if necessary and appropriate.

2. *Requests for Information:* Collection of data is dependent on the cooperation and voluntary participation of local agencies. Requests for information should not represent an undue burden to local agencies and should be conducted in the following manner to maximize cooperation and participation levels:
 - a. Discourage multiple requests for information unless there are compelling reasons.
 - b. Limit requests for information to matters that are essential to conduct the service review and relevant to the nine determinations required by Government Code § 56430.
3. *Service Review Time Frame:* Service reviews provide a snapshot view of service delivery issues and are not meant to be ongoing studies. The following approaches will enable service reviews to be conducted in the shortest amount of time:
 - a. Develop a task and time schedule for each service review and adhere to it.
 - b. Confine data collection to the time period established under the scope of work unless there are compelling reasons to expand the time frame.
4. *Regional View:* Service reviews represent programmatic or macro-level information reports. The following approaches will reinforce the programmatic focus of service reviews:
 - a. Adhere to the nine service review determinations in maintaining a programmatic view of service delivery.
 - b. Focus on service delivery programs, procedures, policies and rules, rather than individuals who may be involved in the service delivery programs.
 - c. Collect micro-level data only if necessary and if associated with programmatic aspects of service delivery.
5. *Level of Inquiry:* Multiple agencies may be involved with a service review. Individual agencies may be subject to different levels of review and inquiry based on the following:
 - a. Allow for variation within the type and amount of information requested for each service review and from each local agency based on unique circumstances.

- b. Utilize the judgment of staff, commissioners, advisory committees, stakeholders, public and agencies, etc., to establish an appropriate level of inquiry and data collection.
 - c. Defer the collection of data that is marginally related to the pending service review to subsequent service reviews.
6. *Data Accuracy:* Accurate data is essential for making meaningful conclusions and determinations. In some cases, LAFCO staff may not be qualified to ascertain accuracy of data and will need to obtain outside assistance. In other instances, either raw data, or conclusions of service review may not be germane to LAFCO's purview of the service review determinations required by State Law. In order to maintain focus on accuracy and relevancy of data:
- a. Utilize LAFCO staff, the Commission's advisory committees, local service agencies, or other appropriate organizations to determine data accuracy and relevancy.
 - b. Refer service reviews to other regulatory agencies if data is determined to pertain to areas outside of LAFCO's purview, or is not relevant to a pending service review.

Adopted: April 7, 2003

APPENDIX D

RECOMMENDED STATEMENT OF DETERMINATIONS FOR SPHERES OF
INFLUENCE FOR THE COUNTY SANITATION DISTRICTS:

SPRING VALLEY SANITATION DISTRICT

LAKESIDE SANITATION DISTRICT

ALPINE SANITATION DISTRICT

JULIAN SANITATION DISTRICT

PINE VALLEY SANITATION DISTRICT

RECOMMENDED STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FOR THE SPRING VALLEY SANITATION DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for an update to the sphere of influence boundary for the Spring Valley Sanitation District. Based on review of existing and planned land uses for the district, and other factors (e.g., septic problem areas), no modifications to the current sphere of influence boundary are recommended at this time. However, it is recommended that a Special Study Area be designated for the proposed Otay Ranch Village 13. This area will eventually require sewer service from either the Spring Valley Sanitation District or the City of Chula Vista. It is recommended the agencies jointly undertake an investigation to determine the appropriate sewer service provider and present study findings to LAFCO for a final determination on this matter.

- (1) The present and planned land uses in the area as determined by existing and proposed general plan land use designations.

The Spring Valley Sanitation District encompasses approximately 20 square miles which include a variety of land use designations. These uses primarily consist of residential, commercial and limited industrial activity. The District is bordered by the cities of Chula Vista, National City, San Diego, La Mesa and Lemon Grove. These adjoining municipal boundaries limit the District's sphere of influence to areas of unincorporated territory not within the spheres of those agencies.

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

The District was formed in 1952 to provide for sewer collection and conveyance for the unincorporated communities of Spring Valley, Valle de Oro and Sweetwater. The District maintains 242 miles of sewer collection and transmission facilities and four pump stations. Wastewater facility and capital improvement plans are updated approximately every 5-10 years. A review of these plans indicates that projected wastewater flows will increase from about 6.6 million gallons per day (mgd) in 2005 to approximately 8.6 mgd by the year 2020. The current facility plan for the District proposes to construct various improvements within the next 5-10 years to maintain system reliability, and to accommodate projected growth demands. The estimated cost for these improvements is approximately \$3.1 million. The District has sufficient revenues and reserves to provide adequate services to the area for existing and future customers.

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

The District relies on the City of San Diego Metro system for treatment and disposal of wastewater generated within its service area. The District's agreement with Metro provides for 10.4 mgd of capacity rights with approximately 6.6 mgd of current flow. Therefore, sufficient capacity is available to the District to support current and future needs. The District's sewer infrastructure appears adequate to meet present and planned

land uses, and facility plans and capital improvement programs are reviewed and updated approximately every ten years.

- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social or economic considerations that could affect the sphere of influence boundary determination for the Spring Valley Sanitation District were not identified during the course of this review.

RECOMMENDED STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FOR THE LAKESIDE SANITATION DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for modification of the sphere of influence designation for the Lakeside Sanitation District. The sphere of influence boundary is proposed to expand by approximately 10 square miles to include additional areas that may be appropriate for extension of sewer service. This includes the Upper San Diego River Project and Reorganization area; industrial activities in the northern Lakeside area near State Route 67 and along the Vine Street area; the High Meadow Ranch development project (currently under construction); the proposed Crestlake development project, which obtained a waiver of Board Policy I-106 from the Board of Supervisors; and numerous smaller areas along Old Highway 80, Lake Jennings and Flynn Springs.

- (1) The present and planned land uses in the area as determined by existing and proposed general plan land use designations.

The Lakeside Sanitation District encompasses approximately 7.9 square miles, and includes a variety of land use designations consisting primarily of residential, commercial and limited industrial developments. The District is bordered by/or within the sphere of influence of the cities of El Cajon and Santee, Padre Dam MWD and the Wintergardens Sewer Maintenance District. The Lakeside Water District and Helix Water District also adjoin (or overlap) the District.

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

The District was formed in 1955 to provide for sewer collection and conveyance for the unincorporated community of Lakeside. The District maintains 73 miles of sewer collection and transmission facilities and two pump stations. Wastewater facility and capital improvement plans are updated approximately every 5-10 years. A review of these plans indicates that projected annual wastewater flows will increase from 2.5 million gallons per day (mgd) in 2005 to approximately 4.3 mgd by the year 2020. The current facility plan for the District proposes to construct various improvements within the next 5-10 years to maintain system reliability, and to accommodate projected growth demands. The estimated cost for these improvements is approximately \$17.4 million. The District has sufficient revenues and reserves to provide adequate services to the area for existing and future customers. At some undetermined future time, purchase of additional Metro capacity may be required.

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

The District relies on the City of San Diego Metro system for treatment and disposal of wastewater generated within its service area. The District's agreement with Metro provides for 4.1 mgd of Metro capacity rights with approximately 2.5 mgd of current

flow. Therefore, sufficient capacity and facilities are available to support current and future needs of the District.

- (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.

There are no social or economic considerations which would effect a sphere of influence boundary determination for the Lakeside Sanitation District.

RECOMMENDED STATEMENT OF DETERMINATIONS SPHERE OF INFLUENCE FOR THE ALPINE SANITATION DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for an update to the sphere of influence boundary for the Alpine Sanitation District. Based on review of existing and planned land uses, and other factors (e.g., septic problem areas), the sphere of influence boundary is proposed to expand by approximately 847.90 acres to include additional areas that may be appropriate for extension of sewer service, and existing served areas currently subject to extraterritorial agreement. Areas recommended for addition to the sphere boundary include lands planned for up to two dwelling units per acre along Tavern Road south of the Alpine Creek commercial center; areas along or near South Grade Road in the southeastern Alpine area; areas along or near Alpine Boulevard in the eastern Alpine area; and areas planned for industrial uses in the northwestern area of Alpine

- (1) The present and planned land uses in the area as determined by existing and proposed general plan land use designations.

The Alpine Sanitation District encompasses approximately 1.4 square miles, and includes a variety of land use designations consisting primarily of residential, commercial and limited industrial development. The District not bordered by or within the sphere of influence of another sewer agency, but is overlapped by the Padre Dam MWD which provides domestic water service to the Alpine area.

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

The District was formed in 1952 to provide for sewer collection and conveyance for portions of the unincorporated community of Alpine. The District maintains 21 miles of sewer collection and transmission facilities and two pump stations. Wastewater facility and capital improvement plans are updated approximately every 5-10 years. A review of these plans indicates that projected annual wastewater flows could increase from 0.5 million gallons per day (mgd) in 2005 to approximately 1.5 mgd by the year 2020. The current facility plan for the District proposes to construct various improvements within the next 5-10 years to maintain system reliability, and to accommodate projected growth demands. The estimated cost for these improvements is approximately \$1.4 million. The District has sufficient revenues and reserves to provide adequate services to the area for existing and future customers. At some undetermined future time, purchase of additional Metro capacity may be required.

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

The District relies on the City of San Diego Metro system for treatment and disposal of wastewater generated within its service area. The District's agreement with Metro provides for 0.72 mgd of Metro capacity rights with approximately 0.5 mgd of current flow. Sufficient capacity and facilities are available to support current and future needs

of the District. However, at some undetermined future time, purchase of additional Metro capacity may be required.

- (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.

There are no social or economic considerations which would effect a sphere of influence boundary determination for the Alpine Sanitation District.

RECOMMENDED STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FOR THE JULIAN SANITATION DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for affirmation of a no change sphere of influence designation for the Julian Sanitation District. The Julian Sanitation District has no excess capacity available for additional connections, and Board of Supervisors Policy I-113 imposes strict limitations on new sewer hookups. There are no plans at this time or in the foreseeable future to expand system capacity.

- (1) The present and planned land uses in the area as determined by existing and proposed general plan land use designations.

The Julian Sanitation District encompasses approximately 0.19 square mile, and includes land uses consisting primarily of residential and commercial development. The District not bordered by or within the sphere of influence of another sewer agency, but is overlapped by the Julian Community Services District which provides domestic water service to the central Julian area.

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

The District was formed in 1945 to provide for sewer collection and conveyance for portions of the unincorporated community of Julian. The District maintains 2.8 miles of sewer collection and transmission facilities and one pump station. Wastewater facility and capital improvement plans are updated on an as needed basis due to the District's small size and limited customer base. At the present time, the District has no plans to expand sewer services in the Julian area. Facility needs will be confined to existing or future operational requirements.

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

The District has no available treatment plant capacity to support additional growth in the area, and there are no plans to upgrade system capacity. Some limited capacity remains to accommodate septic system failures or to accommodate previous capacity commitments.

- (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.

There are no social or economic considerations which would effect a sphere of influence boundary determination for the Julian Sanitation District.

RECOMMENDED STATEMENT OF DETERMINATIONS
SPHERE OF INFLUENCE FOR THE PINE VALLEY SANITATION DISTRICT

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for an update to the sphere of influence designation for the Pine Valley Sanitation District. Based on review of existing and planned land uses, and other factors (e.g., septic problem areas), the sphere of influence boundary for the Pine Valley Sanitation District is proposed to be expanded by approximately 11.36 acres to include an existing elementary school site located adjacent to Old Highway 80 in the existing Pine Valley commercial area, and a planned 20 unit residential subdivision located in the meadows area also bordered by the commercial area and Pine Valley County Park.

- (1) The present and planned land uses in the area as determined by existing and proposed general plan land use designations.

The Pine Valley Sanitation District encompasses approximately 28 acres, and includes land uses consisting primarily of residential and commercial development. The District not bordered by or within the sphere of influence of another sewer agency.

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

The District was formed in 1968 to provide for sewer collection and treatment for portions of the unincorporated community of Pine Valley. The District maintains 0.4 mile of sewer collection facilities. Wastewater facility and capital improvement plans are updated on an as needed basis due to the District's small size and limited customer base. At the present time, the District has no plans to expand sewer services in the Pine Valley area. A proposed development in the area, if approved, would require annexation for extension of sewer service. Any extensions would be financed by the developer, otherwise facility needs will be confined to existing or future operational requirements.

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

The District has available treatment plant capacity to support additional sewer connections in the area resulting from development approvals or failing septic systems.

- (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.

There are no social or economic considerations which would effect a sphere of influence boundary determination for the Pine Valley Sanitation District.