

PUBLIC HEARING ITEM
LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

FOR MEETING OF: MARCH 6, 2017

6A
6B
6C
6D

Proposal

Adoption of an Amendment to the Sphere of Influence of the Olivenhain Municipal Water District
(SA16-19(a))

Adoption of an Amendment to the Sphere of Influence of the Olivenhain Municipal Water District for Sewer Expansion
(SA16-19(b))

Proposed "Heritage Bluffs II Project Latent Powers Sewer Expansion" (Olivenhain Municipal Water District)
(LPE(S)16-19)

Proposed "Heritage Bluffs II Project Annexation" to the Olivenhain Municipal Water District.
(DA16-19)

Proponent

District, by Resolution

Description/Justification

Proposed by resolution of the Olivenhain Municipal Water District (OMWD) is a request for Commission approval of an approximate 169.85-acres annexation and expansion of the District's activated latent powers area for sewer service. The Olivenhain MWD is a multi-service agency that presently provides the following services either throughout or within specific areas in its approximate 48.45 square mile authorized service area: water service; hydroelectric generation; wastewater collection and treatment; reclaimed water; and, park and recreation services. The OMWD provides wastewater service (sewer collection and treatment) to a limited LAFCO-activated latent sewer power boundary known as the 4-S Ranch and Rancho Cielo areas. The extension of sewer services beyond the latent power areas requires commission approval.

Background

In July of 1998, the City of San Diego adopted the Black Mountain Ranch (Subarea I) Subarea Plan in the former North City Future Urbanizing Area and certified the Final

Environmental Impact Report (Land Development Review No. 96-7902, SCH No. 97111070). The Subarea Plan identified several perimeter properties, which were originally held by 11 different ownerships. The project site is within the area referred to as the "Southeast Perimeter" properties by the Subarea Plan. Because no specific project design was known or proposed at the time the 1998 Subarea Plan Environmental Impact Report (EIR) was certified, the analysis of certain impacts for the site was done at a "program level," with an acknowledgement that future site-specific analysis would be required for areas outside of the Black Mountain Ranch Vesting Tentative Map II project area. The Heritage Bluffs project was originally submitted to the City by a previous applicant in 2008. An Initial Study/Mitigated Negative Declaration (IS/MND) was released for public review in July 2010. In response to the public review IS/MND, the wildlife agencies asked for the Applicant to conduct a focused survey for thread-leaved brodiaea (*Brodiaea filifolia*), which is state-listed as endangered and federally listed as threatened. The project, now known as the Heritage Bluffs II project, retained the redesigned footprint developed by the earlier applicant including the on-site thread-leaved brodiaea preserve. The Heritage Bluffs II project also results in a lesser impact to on-site cultural resources. Through redesign of the project, the Heritage Bluffs II project would result in less than significant impacts to Native American remains through implementation of a conservation easement. A Supplemental Environmental Impact Report (SEIR) was completed for the proposed Heritage Bluffs II project. Due to the size of the SEIR, please refer to the LAFCO website for a copy of the environmental document.

Proposed Development

The two parcels (APNs: 312-010-15 and 312-160-02) that comprise the proposed latent sewer powers expansion area are part of the scheduled residential development project by SPIC Del Sur, LLC. The project proposes to develop approximately 45.28 acres and preserve approximately 120 acres as Multi-Habitat Planning Area (MHPA) open space. The project proposes development of 171 single dwelling unit residential lots, public streets, grading, landscaping, brush management and the installation of all necessary public infrastructures. The subject territory is currently located within the City of San Diego; however, OMWD's sewer infrastructure is in close proximity to the project site. The City has expressed support in the proposed annexation for Olivenhain MWD to provide sewer service. All other municipal services including water, police and fire services will be provided by the City of San Diego. The Heritage Bluffs II project area is not located within the District's latent powers sphere boundary. Thus, a sphere amendment is also required as part of the latent powers expansion.

In order for sewer service to be provided to areas other than 4-S Rancho and Rancho Cielo, LAFCO authorization is necessary for the expansion of this latent power. For the development area to obtain sewer service from Olivenhain MWD, the San Diego LAFCO would need to approve three actions: (1) amendment of the OMWD and Sewer Sphere of Influence Boundaries; (2) annexation of the subject territory to OMWD, and (3) expansion of OMWD's latent powers to provide sewer service. After reviewing the proximity of the project site to OMWD's jurisdictional boundary, it was determined that the proposed

reorganization is not contiguous to existing OMWD sewer service boundary. However, the territory between the existing OMWD jurisdictional limits and the proposed annexation area is designated as natural open space to be preserved in perpetuity. In accordance to California Water Code Section 71071-71081, annexation of noncontiguous territory is permitted.

The Board of Supervisors has adopted a *Master Property Tax Exchange Resolution for Annexation and Detachments involving Enterprise Districts* that will govern any transfer of property taxes associated with these jurisdictional changes. Approval of this proposal would be consistent with a prior LAFCO action. In June 2006, LAFCO approved a reorganization to allow OMWD to provide sewer service to the East Clusters project which is immediately adjacent to the proposed Heritage Bluffs II project.

General Plan/Zoning

The City of San Diego's Black Mountain Ranch Subarea Plan allows 220 dwelling units to be developed on the site, including a requirement for 35 affordable housing units; Residential-Single Unit Zone (RS 1-14; requires minimum 5,000 square foot lots); Residential-Small Lot Zone (RX 1-1; requires minimum 4,000 square foot lots).

Location

The proposal area is located north of California State Route 56 (Ted Williams Parkway); east of Camino de Sur; south of Carmel Valley Road; and west of Interstate 15.

Executive Officer Recommendation

1. Certify pursuant to Section 15091 of the State CEQA Guidelines, that the Commission has reviewed and considered the attached Supplemental Environmental Impact Report (SEIR). The mitigation measures included in the attached resolution of approval of the City of San Diego for the impacts identified in the attached SEIR have been adopted by the City of San Diego, and the mitigation is within the jurisdiction of the City of San Diego and not LAFCO because the affected resources and services are within the city limits;
2. Amend the two spheres of influence of the Olivenhain Municipal Water District and adopt the written Statement of Determinations as shown in Exhibit A;
3. Adopt the form of resolution approving the annexation for the reasons set forth in the Executive Officer's Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the annexation subject to the following terms and conditions:
 - a. SPIC Del Sur, LLC will be required to pay all applicable sewer capacity and annexation fees, and all other fees and charges of the District in accordance with the District's rules and regulations.

- b. SPIC Del Sur, LLC is required to provide all fee sites and easement as required by the District for construction of on-site and off-site facilities as required by the District, in its sole discretion.
- c. SPIC Del Sur, LLC is required to construct all on-site and off-site sewer facilities as required by the District, in its sole discretion. All sewer facilities shall be built in accordance with District approved plans and specifications and shall be dedicated to the District.
- d. A Supplemental Final Environmental Impact Report is certified by the City of San Diego for the project with no challenges within the time frame authorized by law, or, if there is a challenge, that the Supplemental Final Environmental Impact Report be upheld by a court of competent jurisdiction.
- e. SPIC Del Sur, LLC complete a sewer study showing the impacts of the Project is approved by the District.
- f. SPIC Del Sur, LLC will pay the District for all staff time, engineer's time, attorney fees, and consulting fees and costs incurred in the effort to obtain this approval.
- g. SPIC Del Sur, LLC will be required to comply with all LAFCO terms and conditions and to pay all LAFCO fees and charges.

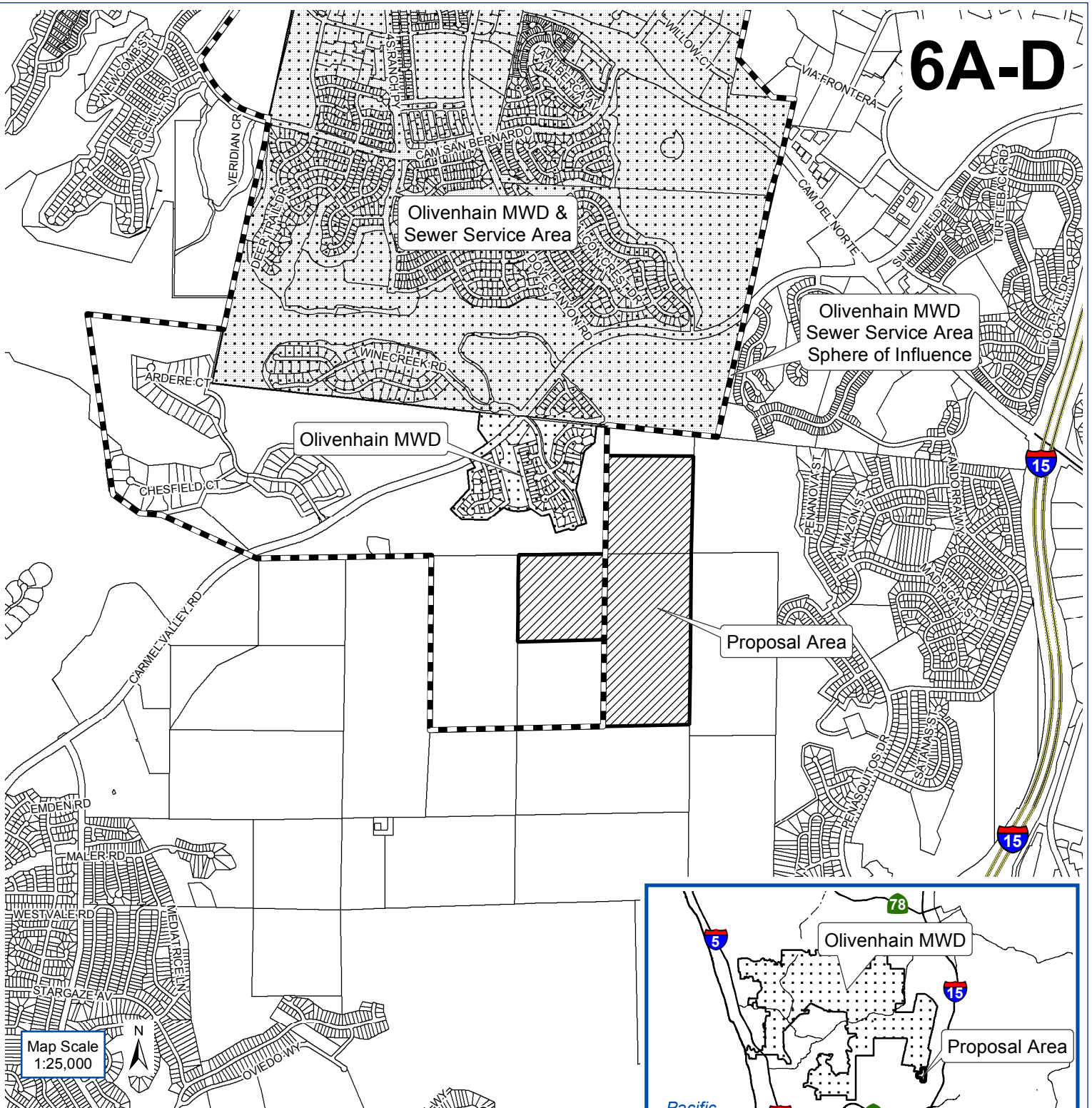
Attachments

Vicinity Map

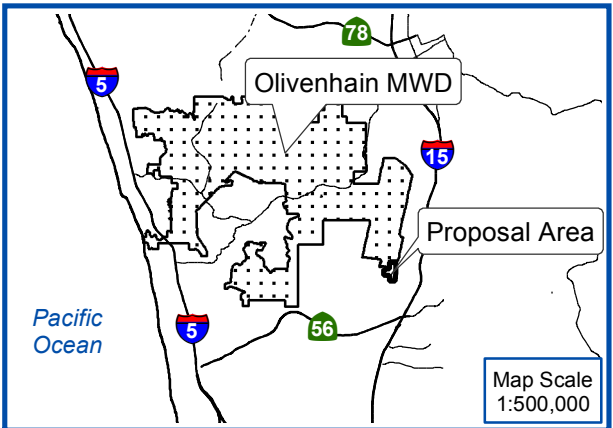
Supplemental Environmental Impact Report (attached in CD)

Exhibit A: Statement of Determinations – Olivenhain Municipal Water District

MDO:JS:ra







Map Scale
1:25,000



Map Scale
1:500,000

SA16-19(a) - Adoption of an Amendment to the Sphere of Influence of the Olivenhain MWD
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-  Proposal Area
 -  Olivenhain MWD
 -  Olivenhain MWD Sewer Service Area
 -  Olivenhain MWD Sewer Service Area SOI
- SOI = Sphere of Influence

LOCAL AGENCY FORMATION COMMISSION

MEETING: MARCH 6, 2017

ITEM 6 (A – D)

ATTACHMENT

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Olivenhain Municipal Water District.
(DA16-19)**

Supplemental Environmental Impact Report

(Available on www.sdlafo.org)

RECOMMENDED STATEMENT OF DETERMINATIONS**PROPOSED AMENDMENT TO THE LARGER-THAN-DISTRICT
SPHERE OF INFLUENCE OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT
AND SEWER SERVICE SPHERE OF INFLUENCE**

“Expansion of Latent Sewer Powers of the Olivenhain Municipal Water District to provide sewer service to the Heritage Bluffs II Project”

DA16-19; LPE(S)16-19; SA16-19(A)(OMWD); SA16-19(B)(Sewer Expansion)

The following statement of determinations is prepared pursuant to Section 56425 of the Government Code for designation of the area shown on the attached map as an amendment to the spheres of influence for the Olivenhain Municipal Water District.

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

The sphere amendments (District and Specific Sphere of Influence boundaries), latent powers expansion, and annexation will allow provision of public sewer service to two parcels consisting of approximately 169.85 acres, to be developed with 171 single family homes. The undeveloped project site lies south of Bernardo Center Drive/Carmel Valley Road and west of Interstate 15 in Black Mountain Ranch Subarea in the northern portion of the City of San Diego. The project site lies approximately seven miles inland from the Pacific Ocean. The project site includes the northern slopes of Black Mountain and a series of small drainages surrounding a gently sloping, disturbed field. The project site is situated in a developing area, which includes primarily residential development and open space. Single family residential neighborhoods lie north and east of the project site and open space lies to the west and south. Undeveloped land lies to the west and south. A series of dirt roads and trails traverse portions of the site. Native upland and wetland vegetation occurs on-site. Black Mountain Open Space Park lies south of the project site.

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

The project proposes to develop approximately 45.28 acres and preserve approximately 120 acres as Multi-Habitat Planning Area (MHPA) open space. The project proposes development of 171 single dwelling unit residential lots, public streets, grading, landscaping, brush management and the installation of all necessary public infrastructures. Adoption of the sphere amendments to the District, in conjunction with the latent powers expansion and annexation, will allow provision of public sewer service to 171 single-family homes.

The subject territory is currently located within the City of San Diego; however, OMWD's sewer infrastructure is in close proximity to the project site. The City has expressed support in the proposed annexation to Olivenhain MWD for sewer service. All other municipal services including water, police and fire services will be provided by the City of San Diego.

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

The Olivenhain Municipal Water District has existing sewer infrastructure adjacent to the property, and has sufficient capacity to serve the site subsequent to latent powers expansion. The property is currently located within the City of San Diego but the City has indicated that it is unable to provide water service to the parcel at this time due to a lack of existing infrastructure in the area.

Proposed sewer flows generated by the project would be conveyed to the downstream sewer treatment plant owned and operated by the OMWD. The proposed sewer mains in the project site would be owned and maintained by the OMWD. A series of 8-inch collector lines would connect with the 8-inch sewer mains. The sewer mains would have two points of connection, one in Street J and the other at the connection of the fire and utility access road, within the East Clusters Unit 3 development. Sewer lines would be extended to the south to the adjacent property.

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

Social and economic communities of interest are not relevant in considering this sphere amendment.

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

The sphere amendments (District and Specific Sphere of Influence boundaries), latent powers expansion, and annexation do not involve a disadvantaged unincorporated community; therefore the determination does not apply. There are currently no disadvantaged unincorporated communities near the proposal area. Refer to the SB244 Local Agency Matrix approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the Olivenhain Municipal Water District.