



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

September 10, 2020

TO: Ad Hoc Advisory Committee – Proposed Rainbow Municipal Water District and Fallbrook PUD Wholesale Water Reorganizations

FROM: Robert Barry, Chief Policy Analyst

SUBJECT: Status of Municipal Service Review for the Local Agencies within the Fallbrook Region | Fallbrook PUD, North County FPD, Rainbow MWD, San Luis Rey MWD, and CSA No. 81 (Fallbrook Local Parks)

SUMMARY

The Ad Hoc Advisory Committee (“Committee”) will receive an update from the Chief Policy Analyst on the status of the scheduled Municipal Service Review for the Fallbrook Region.

BACKGROUND

The San Diego Local Agency Formation Commission (LAFCO) is empowered with responsibility for determination and adoption of *Spheres of Influence* for each local public agency in San Diego County. LAFCO is required to review and update the adopted spheres, as necessary, on a 5-year cyclical basis. The required statutory process for updating adopted spheres of influence involves LAFCO review and evaluation of the subject agency and production of a *Municipal Service Review (MSR)* and statement of written determinations prior to or concurrently with a comprehensive update to the agency’s sphere. In 2018, LAFCO adopted an MSR study schedule for the current cycle of sphere of influence reviews that covers all local agencies in San Diego County over fiscal years 2018-2019 to 2022-2023. The scheduled MSRs are focused on a different geographic portion of the county each fiscal year, with the local agencies in North County being among the first agencies undergoing review. The scheduled North County MSRs include the Escondido, Fallbrook, Pauma Valley, San Marcos, Valley Center, and Vista regions over FY2018-2019 to FY2019-2020. This memo to the Committee is intended to provide background information on the LAFCO MSR process and to inform the Committee of the scope and status of the Fallbrook Region MSR currently undergoing preparation by staff.

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DISCUSSION

An MSR is required to be produced prior to or concurrently with an update to a subject agency's sphere of influence. An MSR may be focused on a single-agency or single-service or may cover a specific geographic area or region with multiple agencies and services. The MSR for the local agencies in the Fallbrook region is presently undergoing staff preparation and covers the following special districts and their presently-authorized functions and services:

- Fallbrook Public Utility District (PUD) – Water, Wastewater, and Reclaimed Water
- Rainbow Municipal Water District (MWD) – Water, Wastewater
- County Service Area No. 81 (Fallbrook Parks and Recreation) – Parks Maintenance
- North County Fire Protection District (FPD) – Fire Protection & EMS
- San Luis Rey MWD – Groundwater Protection

ANALYSIS

The Fallbrook Region MSR was initiated in 2018 as part of the Commission's adopted MSR schedule for the current cycle of sphere of influence reviews. The MSR process started with distribution of an MSR Questionnaire to the subject agencies as both a notice of LAFCO's upcoming MSR and sphere of influence review program and as a request for service and governance related information. The MSR Questionnaire included service-specific agency questions regarding the provision of its authorized services and a request for identification of any anticipated, pending, or requested sphere changes. Once all needed information is received, LAFCO staff evaluates the subject agency and its authorized services to produce the written MSR determinations as enumerated under Government Code Section 56430. These determinations apply to all local agencies and cover multiple categories of review such as: adequacy of services, present and planned infrastructure, financial sustainability, governance and governance options, community accountability, and other factors regarding the efficient delivery of services.

The Fallbrook Region MSR will evaluate the provision of water, wastewater, and/or recycled/reclaimed water services by the Fallbrook PUD and Rainbow MWD with metrics such as existing and planned capacities, peak flows, existing and projected supplies and demands, and present and proposed infrastructure and facilities. The evaluation of fire protection and EMS service by North County FPD will include dispatch response numbers and average times, existing and proposed stations, number of personnel and equipment, and discussion of auto/mutual aid agreements. The evaluation of groundwater protection and park maintenance by San Luis Rey MWD and CSA No. 81, respectively, will also include specific metrics for evaluating those services in relation to adequacy and efficiency. Each of the subject agencies' finances, governance structure, and community accountability will also be discussed and evaluated in terms of sustainability, adequacy, opportunities for shared infrastructure or services, and potential governance options involving changes of organization or reorganization of local agencies.

The primary relationship between the Fallbrook Region MSR and the proposed reorganizations submitted by Fallbrook PUD and Rainbow MWD, is the shared evaluation of the subject districts' present and planned provision of water services. The service and agency evaluations for the MSR and the proposed reorganizations will each address the topics of imported wholesale water supply, retail capacities and demands, capital improvements and infrastructure, finances, governance, and anticipated growth within the region and service areas. These diverse service discussions and evaluations of the districts are intended to provide staff with the information needed to produce both the required written determinations for the Fallbrook Region MSR, as well as the written sphere of influence determinations required in association with the two subject reorganization proposals. The key review differences are related to the more proposal-focused evaluation of the individual reorganizations between the subject wholesale water suppliers – San Diego CWA and Eastern MWD – and particularly the required evaluations of the review factors enumerated in Government Code Section 56668 for each subject agency's proposed changes of organization. The focus of an MSR is intended to be a more comprehensive and holistic review of the provision of authorized services by all the local agencies within the MSR study area, with written determinations to inform the Commission's review and update of the subject agencies' spheres of influence on a 10-15 year planning time horizon.

MSR STATUS

Due to the extenuating emergency pandemic circumstances as well as LAFCO staffing changes during FY2019-2020, the LAFCO MSR study program has been delayed and the anticipated completion of all MSRs currently under production has been extended into FY2020-2021. This program extension includes the Fallbrook Region MSR, which is presently undergoing staff review and preparation. A draft version of the Fallbrook Region MSR is projected to be distributed for public review and comment in early Spring of 2021.

CONCLUSION

This memo has been forwarded to the Ad-Hoc Committee for information and potential discussion at the next scheduled meeting on October 5, 2020. Should Committee members have questions regarding this memo prior to the meeting, please contact LAFCO Chief Policy Analyst, Robert Barry, at robert.barry@sdcounty.ca.gov.