



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

REGULAR QUARTERLY MEETING SPECIAL DISTRICTS ADVISORY COMMITTEE

AGENDA

Friday, December 17 2021

VIDEOCONFERENCE ATTENDANCE ONLY

9:30 A.M to 11:00 A.M.

Chair Kimberly Thorner
Vice Chair Jack Bebee

Jack Bebee Fallbrook PUD	Albert Lau Santa Fe ID	Mark Robak Otay WD	Oliver Smith Valley Center MWD
Paul Bushee Leucadia WWD	Hector Martinez South Bay ID	Joel Scalzitti Helix WD	Robert Thomas Pomerado CD
James Gordon Deer Springs FPD	Marty Miller Vista ID	Mike Sims Bonita-Sunnyside FPD	Kimberly Thorner Olivenhain MWD
Tom Kennedy Rainbow MWD			John van Doorn North County FPD

Pursuant to the provisions of Assembly Bill 361, this meeting will be held by videoconference only. No physical location will be available for this meeting. However, members of the public will be able to access and participate in the meeting through the following instructions.

1. The meeting will be live streamed using the link on our website home page: www.sdlafco.org.
2. If you would like to register to speak on any agenda item, please do so no later than 4:00 P.M. on Thursday, December 16, 2021 by emailing Dieu Ngu at dieu.ngu@sdcounty.ca.gov.
3. The public may also send comments by email at erica.blom@sdcounty.ca.gov or text at 858-987-3442 in real time during the meeting. Comments should identify the corresponding agenda item and be succinct in content. All comments received by email or text will be subject to a three-minute limit and be made part of the public record.

1. 9:30 A.M. – CALL TO ORDER AND WELCOMING COMMENTS BY CHAIR

2. ROLL CALL BY SECRETARY

3. PLEDGE OF ALLIGENCE

4. COMMITTEE MEMBER REPORTS

5. BUSINESS ITEMS

a) Approval of Meeting Minutes for September 17, 2021 (action)

The Committee will consider draft summary minutes prepared for the last meeting held on September 17, 2021. Staff recommends the Committee approve the summary minutes with any changes or clarifications as needed.

b) Update on Adopted Workplan for 2021-2022 (discussion)

The Committee will receive an update on San Diego LAFCO's adopted workplan for 2021-2022 and status of the 30 calendared projects. The item is being presented to the Committee for discussion and feedback.

c) Draft Municipal Service Review on the Fallbrook Region (discussion)

The Committee will receive a presentation on San Diego LAFCO's draft municipal service review on the Fallbrook region and key conclusions and recommendations therein. The item is being presented for discussion and feedback and ahead of the preparation of a final report.

d) Update on San Diego LAFCO Operations (information)

The Committee will receive an update on recent changes at San Diego LAFCO with respect to staffing and other operational activities. There is no written report for this item.

e) Chair Appointments to Fill Unexpired Committee Terms (action)

The Chair will consider making appointments to fill two unexpired terms on the Committee recently vacated by Fred Cox with the Rancho Santa Fe Fire Protection District and Sheryl Landrum with the Resource Conservation District of Greater San Diego. Both terms expire in October 2024. There is no written report for this item.

f) Selection of Chair and Vice Chair (action)

The Committee will consider appointing officers – Chair and Vice Chair – for 2022 per policy. There is no written report for this item.

6. PUBLIC COMMENTS

7. EXECUTIVE OFFICER COMMENTS

8. ADJOURNMENT

Attest to Posting:

Erica Blom
Committee Secretary

Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting.



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

5a

AGENDA REPORT
 Business | Action

December 17, 2021

TO: Special Districts Advisory Committee
FROM: Erica Blom, Administrative Assistant
SUBJECT: Approval of Meeting Minutes for September 17, 2021

SUMMARY

The Special Districts Advisory Committee will receive action minutes prepared for the last meeting held on Friday, September 17, 2021. The minutes are in draft-form and being presented for formal approval with any corrections identified by the Committee.

BACKGROUND

The Ralph M. Brown Act was enacted in 1953 and establishes standards for the public to attend and participate in meetings of local government bodies. The “Brown Act” requires – and among other items – public agencies to maintain written minutes for qualifying meetings.

DISCUSSION

This item is for the Committee to consider approving action minutes prepared by the Committee Secretary for the September 17, 2021 meeting consistent with the Brown Act.

ANALYSIS

The attached action minutes for the September 17, 2021 meeting accurately reflect the Committee’s deliberations as recorded by the Committee Secretary. A video recording of the meeting has also been posted online at www.sdlafco.org/meetings.

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103-6624 T 619.321.3380 F 619.404.6508 www.sdlafco.org	Vice Chair Jim Desmond County of San Diego Nora Vargas County of San Diego Joel Anderson, Alt. County of San Diego	Mary Casillas Salas City of Chula Vista Paul McNamara City of Escondido Kristi Becker, Alt. City of Solana Beach	Chris Cate City of San Diego Marni von Wilpert, Alt. City of San Diego	Jo MacKenzie Vista Irrigation Barry Willis Alpine Fire Protection David A. Drake, Alt. Rincon del Diablo	Chair Andy Vanderlaan General Public Harry Mathis, Alt. General Public
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RECOMMENDATION

It is recommended the Committee approve the draft action minutes prepared for the September 17, 2021 meeting as presented and consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Committee through a single motion:

Alternative One (recommended):

Approve the draft action minutes prepared for the September 17, 2021 meeting with any desired corrections or clarifications.

Alternative Two:

Continue to the next regular meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on the Committee's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Committee.

Respectfully,



Erica Blom
Committee Secretary

Attachment: as stated

DRAFT
SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
SPECIAL DISTRICTS ADVISORY COMMITTEE
REGULAR QUARTERLY MEETING
SEPTEMBER 17, 2021

Held by Videoconference
As Allowed Under Governor's Order N-29

1. CALL TO ORDER AND ROLL CALL

Chair Kimberly Thorner called the videoconference meeting to order at 9:31 a.m. and requested a roll call from the Committee Secretary.

Committee Members Present:

Chair Kimberly Thorner (Olivenhain MWD)
Vice Chair Jack Bebee (Fallbrook PUD)
Paul Bushee (Leucadia WWD)
Fred Cox (Rancho Santa Fe FPD)
James Gordon (Deer Springs FPD)
Al Lau (Santa Fe ID)
Marty Miller (Vista ID)
Mark Robak (Otay WD – joined at 9:34 a.m.)
Mike Sims (Bonita-Sunnyside FPD)
Oliver Smith (Valley Center MWD)
Robert Thomas (Pomerado CD)
John Van Doorn (North County FPD – joined at 9:55 a.m.)

Committee Members Absent:

Tom Kennedy (Rainbow MWD)
Sheryl Landrum (RCD of Greater San Diego County)
Hector Martinez (South Bay ID)
Joel Scalzitti (Helix WD).

The following members of San Diego LAFCO staff were present at roll call: Executive Officer Keene Simonds; Commission Counsel Aleks Giragosian; Local Government Analyst Priscilla Allen; Commission Clerk Tamaron Lockett; Graduate Intern Carolanne Ieromnimon; Consultant Adam Wilson; and Administrative Assistant Erica Blom serving as Committee Secretary.

2. PLEDGE OF ALLEGIANCE

Chair Kimberly Thorner led the Pledge of Allegiance.

3. EXECUTIVE OFFICER REPORT

Executive Officer Keene Simonds introduced LAFCO staff including LAFCO Graduate Intern Carolanne Ieromnimon. The Executive Officer also advised that David Drake with Rincon del Diablo Municipal Water District won election to serve as the Alternate Special District member on San Diego LAFCO. The Executive Officer also provided instructions on how the public could participate in the meeting with respect to emailing comments.

4. BUSINESS ITEMS

a) Approval of Meeting Minutes for March 19, 2021 (Action)

The Committee considered draft summary minutes prepared for the last meeting held on March 19, 2021. Recommend approval.

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On motion by Paul Bushee and seconded by Jack Bebee, the Committee unanimously approved the minutes for the March 19, 2021 meeting as presented.

b) Update on Adopted Workplan for 2021-2022 (Discussion)

The Committee received an update on San Diego LAFCO's adopted workplan for 2021-2022 and status of the 30 calendared projects. Executive Officer Keene Simonds provided the staff presentation and proceeded to introduce CALAFCO Director Pamela Miller to provide additional input on the project involving Government Code Section 56133. Item presented for discussion and feedback.

The Committee Secretary confirmed there were no pre-registered speakers and no live email comments.

General discussion followed as requested.

c) Legislative Report from CALAFCO (Discussion)

The Committee received a presentation from CALAFCO Executive Director Pamela Miller on current and pending legislative activities relating – directly or indirectly – to LAFCOs' regulatory and planning responsibilities. Additional comments were provided by LAFCO staff. Item presented for discussion and feedback.

The Committee Secretary confirmed there were no pre-registered speakers and no live email comments.

General discussion followed as requested.

d) Draft Municipal Service Review on the Ramona Region (Discussion)

The Committee received a presentation on San Diego LAFCO's draft municipal service review on the Ramona region. Analyst I Priscilla Allen provided the presentation and summarized key conclusions and recommendations generated in the draft report. Item presented for discussion and feedback.

Committee discussion followed.

The Committee Secretary confirmed there were no pre-registered speakers and no live email comments.

BUSINESS ITEMS CONTINUED...

e) Update on Reorganization Proposals Filed by Fallbrook Public Utility District and Rainbow Municipal Water District to Concurrently Detach from the San Diego County Water Authority and Annex to Eastern Municipal Water District (Discussion)

The Committee received an update on the reorganization proposals and the current work of an appointed 10-member Ad Hoc Committee to assist in the administrative review with specific focus on evaluating supply reliability, water rate impacts, and potential exit fees. LAFCO Consultant Adam Wilson provided the staff presentation. Item presented for discussion and feedback.

The Committee Secretary confirmed there were no pre-registered speakers and no live email comments.

General discussion followed as requested.

5. PUBLIC COMMENTS

None

6. COMMITTEE MEMBER ANNOUNCEMENTS

Bob Thomas with Pomerado Cemetery District updated the Committee on a major capital improvement project.

Chair Thorner noted filling the vacancy on the Committee at the next meeting.

7. ADJOURNMENT

There being no further business to come before the Special Districts Advisory Committee, the meeting was adjourned at 10:49 a.m. to the next scheduled meeting on December 17, 2021.

Attest:

Erica Blom
Committee Secretary

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Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

5b

AGENDA REPORT
 Business | Discussion

December 17, 2021

TO: Special Districts Advisory Committee
FROM: Keene Simonds, Executive Officer
SUBJECT: Progress Report on Adopted Workplan

SUMMARY

The Special Districts Advisory Committee will receive a progress report on San Diego County Local Agency Formation Commission’s (LAFCO) adopted workplan for 2021-2022. The report notes work on more than one-half of all projects have already commenced with two completed and another three nearing their completion. The report is being presented to the Committee to discuss and provide feedback to staff as needed.

BACKGROUND

San Diego LAFCO’s current fiscal year workplan comprises 30 projects with priority assignments ranging from high to low. High priority projects include several municipal service reviews in north and coastal communities as well as a number of targeted policy reviews. Other notable projects include sponsoring and/or otherwise facilitating amendments to existing statutes to clarify LAFCOs’ responsibilities in authorizing outside service extensions as well as to streamline and modernize the principal act for resource conservation districts.

DISCUSSION

This item provides the Committee its quarterly opportunity to review the status of San Diego LAFCO’s adopted workplan and provide input accordingly. All workplan projects are detailed in Attachment One in their priority order along with their status.

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ANALYSIS

San Diego LAFCO is generally proceeding as planned with work commencing on more than one-half of all projects through the first five months. This includes initiating work on all seven scheduled municipal service reviews with one – Fallbrook region – nearing completion. Staff also continues to work on the scheduled update to the Commission’s Rule No. 4 and its provisions to locally guide LAFCO’s task in statute to regulate special districts’ service functions and classes as well as authorized geographic areas. An administrative draft on the update will be separately transmitted to the Committee before the meeting and done so to solicit initial comments and suggestions proceeding forward.

RECOMMENDATION

This item is presented to the Committee for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES FOR CONSIDERATION

This item has been placed on the Committee’s agenda for discussion as part of the business calendar. The following procedures apply:

- 1) Receive verbal report from staff.
- 2) Initial questions or request for clarifications.
- 3) Discuss item and provide feedback as requested.

Respectfully,



Keene Simonds
LAFCO Executive Officer

Attachment:

- 1) Workplan Status as of December 10, 2021

ADOPTED WORKPLAN STATUS

2021-2022

Priority	Level	Type	Project	Description	Status
Ongoing	...	Statutory	Applicant Proposals and Requests	LAFCO will prioritize on an ongoing basis its available resources to process applicant proposals	
Ongoing	...	Administrative	Targeted LAFCO Presentations	LAFCO will prioritize on an ongoing basis its resources to perform public outreach	
1	High	Statutory	MSR Fallbrook-Rainbow Region	Complete the scheduled review of Fallbrook PUD, Rainbow MWD, North County FPD, & CSA 81	Near Completion
2	High	Administrative	Fallbrook-Rainbow Ad Hoc Committee	Complete the work of the Ad Hoc in assisting in the administrative review of the associated reorganization proposals	Near Completion
3	High	Administrative	Relocation of the LAFCO Office	Execute an office relocation for the primary purpose of securing larger and more efficient space	Completed
4	High	Statutory	MSR Escondido Region Part II	Complete the scheduled review of the City of Escondido	Underway
5	High	Administrative	Legislative Proposal G.C. 56133(e)	Sponsor and/or facilitate an amendment to clarify LAFCOs' responsibility in exempting outside service agreements	Underway
6	High	Statutory	Commission Rule No. 4	Complete a comprehensive update to Rule No. 4 and its provisions to regulate special districts' functions and classes	Pending
7	High	Statutory	MSR Oceanside Region	Complete scheduled reviews of the City of Oceanside and local serving special districts	Underway
8	High	Statutory	MSR Carlsbad Region	Initiate scheduled reviews of the City of Carlsbad and local serving special districts	Underway
9	High	Administrative	Translation Policy	Establish procedures and related accommodations in communicating with non-English speaking communities	Completed
10	High	Statutory	Environmental Justice Policy	Establish polices and related procedures to address environmental justice in LAFCO's regulatory and planning activities	Pending
11	High-Moderate	Administrative	2020-2021 Audit	Complete an outside audit of financial statements for 2020-2021	Underway
12	High-Moderate	Statutory	2022-2023 Workplan and Budget	Adopt proposed and final workplan and budgets documents by March and May 2022	Pending
13	High-Moderate	Statutory	MSR San Marcos Region	Complete the scheduled reviews of the City of San Marcos and surrounding local serving special districts	Underway
14	High-Moderate	Statutory	MSR Vista Region	Complete the scheduled reviews of the City of Vista and surrounding local serving special districts	Underway
15	High-Moderate	Administrative	Special Districts Advisory Committee	Provide administrative support to the Special Districts Advisory Committee and hold no less than three meetings in FY	Underway
16	High-Moderate	Administrative	Cities Advisory Committee	Provide administrative support to the Cities Advisory Committee and hold no less than two meetings in FY	Underway
17	Moderate	Administrative	RCD Ad Hoc Committee	Coordinate work of the Ad Hoc Committee in implementing recommendations included in the final MSR on RCDs	Pending
18	Moderate	Administrative	Legislative Proposal RCDs	Facilitate and/or participate in a comprehensive rewrite of RCD law and – among other priorities – clarify service function powers	Pending
19	Moderate	Statutory	Policy Review Island Annexations	Consider options to define “substantially surrounded” and provide related mapping to inform review	Pending
20	Moderate	Administrative	SALT Grant Agricultural Trends	Implement two-year grant project to identify and track agricultural trends in San Diego County; complete 21-22 scope of work tasks	Underway
21	Moderate-Low	Statutory	MSR Pauma Valley Region	Complete the scheduled review of local serving special districts in the Pauma Valley region	Underway
22	Moderate-Low	Statutory	Report on Mutual Water Companies	Prepare informational report on private mutual water companies consistent with AB 54	Pending
23	Moderate-Low	Administrative	Social Media	Establish internal guidelines manual in conjunction with expanding social media presence in communicating information	Near Completion
24	Moderate-Low	Administrative	SANDAG	Participate in SANDAG's Technical Working Group (TWG) and provide update to Commission	Underway
25	Moderate-Low	Administrative	Application Procedures	Streamline existing application packet to be more user-friendly	Pending
26	Low	Administrative	Mapping Outside Utility Services	Establish a new GIS layer to identify existing outside wastewater and water services approved by the Commission	Pending
27	Low	Administrative	Website Enhancement SGMA	Add a dedicated page to the LAFCO website addressing SGMA and related GSA activities in San Diego County	Pending
28	Low	Administrative	Website Enhancement Videos	Add video discussions on current LAFCO projects and key duties on the website and cross-connected to social media	Pending
29	Low	Administrative	Annual Local Agency Directory	Update and publish local agency directory building on the inaugural version published in 2021	Pending
30	Low	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service reviews and sphere actions	Pending

Status as of December 10, 2021

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5C

AGENDA REPORT
 Business | Discussion

December 17, 2021

TO: Special Districts Advisory Committee

FROM: Priscilla Allen, Analyst I

SUBJECT: **Draft Municipal Service Review on the Fallbrook Region**

SUMMARY

The Special Districts Advisory Committee will receive a draft municipal service review prepared by San Diego County Local Agency Formation Commission’s (LAFCO) on the Fallbrook region. The draft independently assesses the availability of sufficiency of public services in the region and specifically by the principal local governmental agencies subject to LAFCO oversight – Fallbrook Public Utility District, North County Fire Protection District, and Rainbow Municipal Water District. The draft also considers options and merits of organizational alternatives in the region consistent with statute. The presentation provides the Committee the opportunity to discuss and provide feedback on the content and conclusions in the draft and ahead of staff preparing a final document for formal action by the Commission as early as its February 7, 2022 meeting.

BACKGROUND

State law directs San Diego LAFCO to regularly prepare municipal service reviews in conjunction with updating each local agency’s sphere of influence as well as informing potential jurisdictional changes within the affected territory over the next five-year period. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform the Commission regarding the availability and sufficiency of governmental services relative to current and future community needs. LAFCO also utilizes municipal

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service reviews as source documents to take other actions under its authority, such as forming, consolidating, or dissolving one or more special districts.

DISCUSSION

This item is for the Committee to receive a presentation on San Diego LAFCO's draft municipal service review the Fallbrook region. The draft was presented to the Commission for preliminary discussion at its December 6th, 2021 meeting with direction to proceed with a formal 45-day public review and comment period. The presentation will include a summary of key conclusions and recommendations in the draft for Committee review and discussion. Feedback will aid staff in proceeding forward with preparing a final document for future action by the Commission as early as its February 7, 2021.

A summary of the draft report's key conclusions and recommendations is provided as Attachment One. The full draft report is available online at www.sdlafco.org.

ANALYSIS

See Attachment One.

RECOMMENDATION

This item is presented to the Committee for discussion and feedback only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee's agenda as part of the business calendar. It will include a verbal presentation from staff followed by discussion from the Committee.

Respectfully,



Priscilla Allen
LAFCO Analyst I

Attachment:

- 1) Summary of Key Conclusions and Recommendations



Municipal Service Review FALLBROOK REGION

DRAFT

REPORT SUMMARY | December 2021



General Themes and Conclusions

The Fallbrook region serves as the social and economic epicenter of unincorporated “North County.” It comprises four internally distinct subregions that collectively draw on municipal services provided by the County of San Diego and the four special districts that are evaluated as part of this report: Fallbrook PUD; North County FPD; Rainbow MWD; and CSA No. 81. The Town of Fallbrook and its “village” setting headlines the four subregions with its cultural, retail, medical offices, schools, and entertainment venues that residents in the others – Bonsall, De Luz, and Rainbow – regularly patron. The region overall remains mostly rural in character outside the Town core and continues to function as a community separator between the more urban uses to the north (Temecula) and south (Escondido) along the Interstate 15 corridor. Population growth also remains moderate – at least in comparison to countywide averages – but has cumulatively added up with an overall resident estimate

of 56,482 at the end of the five-year report period. This estimate makes the region one of the largest unincorporated areas with a population base that exceeds 7 of the 18 cities in San Diego County.

While conditions in the Fallbrook region appear to be holding course, there are indications that foundational changes are underway. Most notably, the region’s historical immersion in agriculture with avocados being the primary cash crop over the last 60 plus years appears to be waning and could spell fundamental changes in land uses and municipal service needs going forward. Measuring this transition is marked by the loss of nearly one-fifth – or (18.7%) – of the total number of avocado acreages in the region during the report period. Some of this acreage has already been converted into housing with nearly 600 new units added in the region during the reporting period; an amount equal to an overall 2% increase in the housing stock and above historical averages.

» General Themes and Conclusions

More of this acreage appears to have been left fallow and suggests – among other items – the cost of growing avocados in the “Avocado Capital of the World” for many local farmers has become unsustainable. Consequently, and in the absence of a turnaround and/or replacement crop emerging, the region will increasingly become an intersection point where the demand for housing in greater San Diego County meets the supply of available land.

A review of the Fallbrook region relative to San Diego LAFCO’s growth management tasks and interests produces

nine central themes or conclusions. These conclusions collectively address the availability, need, and adequacy of municipal services in the region and range in substance from addressing governance dynamics to financial standing. The conclusions also address potential sphere of influence changes among the four affected local agencies. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2016 and 2020 with limited exceptions and detailed in the agency profiles.

Close to one-fifth of all avocado groves in the Fallbrook region have been lost during the report period. Consequently, and in the absence of a turnaround and/or replacement crop emerging, the region will increasingly become an intersection point where the demand for housing in greater San Diego County meets the supply of available land.



No. 1

Introductory Municipal Service Review

This report represents the Commission’s first comprehensive municipal service review prepared on the Fallbrook region and the four affected local agencies – Fallbrook PUD, North County FPD, Rainbow MWD, and CSA No. 81. The report consequently serves as a dual introduction. This is marked by introducing the affected agencies and their constituents in real-time to an otherwise unfamiliar and relatively detailed outside planning process. The introduction similarly introduces the Commission to the affected agencies and their service functions at depths previously unvisited with the underlying goal of establishing baseline information to track and measure going forward.

No. 2

Slow and Steady Consolidation of Local Government

The Fallbrook region has slowly and steadily experienced a significant amount of consolidation in local government in recent history with the number of special districts having been reduced by one-half from eight to the current four: Fallbrook PUD; North County FPD; Rainbow MWD; and CSA No. 81. Opportunities for additional consolidation appear notionally plausible – and in some cases presumably probable – given overlapping and/or adjacent boundaries with common services powers. Nonetheless, community interest in the topic appears limited at this time and materially contributed to the Commission choosing to reject the last proposed consolidation in the region involving Fallbrook PUD’s proposed takeover of Rainbow MWD in September 2015.

No. 3

Avocados' Influence in the Region

The Fallbrook region remains mostly rural in character outside the Town of Fallbrook's core and continues to function as a community separator between the more urban uses to the north (Temecula) and south (Escondido) along the Interstate 15 corridor. This historical role is largely attributed to the region's successful immersion in agriculture with avocados being the primary cash crop since the introduction of reliable water supplies in the 1950s. The recent and significant decline in avocado production, highlighted by the loss of nearly one-fifth of planted acreage during the reporting period, suggests the cost of growing avocados in the "Avocado Capital of the World" is becoming unsustainable and fundamental changes in land use and municipal service needs may be on the horizon.



Solar panels facilitate well pumping in Fallbrook, California.

No. 4

Growth is Happening

Irrespective of the staying power of avocados and agriculture overall, it is reasonable to assume some level of substantive growth and development will occur in the Fallbrook region and potentially within the timeframe of this report. This assumption ties to the critical demand for housing in San Diego County paired with the region's available land supply with more than two-fifths of private acreage remaining undeveloped with existing jurisdictional access to wholesale water supplies via the County Water Authority and Metropolitan Water District of Southern California. Ongoing declines in avocado production will expedite and intensify this otherwise expected trend.

No. 5

Distinguishing Gray, Green, and Blue (Collar) Demographics

Demographic information for the Fallbrook region shows residents tend to be measurably older with higher household incomes relative to overall averages in San Diego County at the end of the report period. Somewhat relatedly, one out of every four adults in the region are collecting retirement payments, which is nearly double the ratio for all of San Diego County. Additionally, and separately, the combination of high incomes and comparatively low college degree holders suggests a relatively high percentage of the region's workforce involves professional blue collar (i.e. agriculture, construction, public safety, etc.).

No. 6

Adequate and Excess Municipal Service Capacities

Fallbrook PUD, North County FPD, and Rainbow MWD collectively serve as the municipal service hubs for the Fallbrook region and through the end of the report period have established adequate capacities to meet current demands relative to their core growth-supporting functions: potable water; wastewater; and fire protection. No substantive deficiencies have been identified and all core functions have excess capacities to accommodate the anticipated growth within the report timeframe without exceptions.

No. 7

Stress-Testing is Underway

Three of the four affected agencies in the Fallbrook region – Fallbrook PUD, North County FPD, and Rainbow MWD – have experienced clear and measurable financial stresses during the report period. This includes all three agencies undergoing moderate to substantive declines in their liquidity, capital, and margin levels with the latter measurement magnified by two – North County FPD and Rainbow MWD – finishing with negative average total and operating margins over the corresponding 60 months. While all three agencies remain solvent based on their overall net positions, the recent trends are noteworthy and merits additional Commission attention going forward.



Residential homes near Interstate 15 in Fallbrook, California.

» General Themes and Conclusions

No. 8
The Unknown Case for Incorporating Fallbrook

There has been reoccurring interest in the Fallbrook region and more specifically within the Town of Fallbrook to incorporate and transition local governance from the County of San Diego Board of Supervisors to a newly established city council. Incorporation interest peaked in the form of a formal proposal filing by Fallbrook PUD in 1987, which was approved by the Commission but failed to receive majority voter approval. Community interest has persisted via continued informal inquiries and it is reasonable to assume formal efforts to revisit incorporation will reemerge within the Town given its size and local resources. Accordingly, and consistent with earlier policy direction, it would be beneficial for LAFCO to prepare an informational report to advise on current statutory thresholds and associated incorporation opportunities in San Diego County to include – but not limited to – Fallbrook.

No. 9
Reorganizations are on the Mind of Locals

There are three separate reorganization proposals currently on file with the Commission that propose substantive jurisdictional changes within the Fallbrook region and – among other items – necessitate conforming sphere of influence actions. Two of the proposals involve separate requests by Fallbrook PUD and Rainbow MWD to change wholesale water suppliers and detach from the County Water Authority and annex to Eastern MWD. The third proposal involves Fallbrook PUD’s request to activate its park and recreation, roads, and street lighting functions. As intended under statute, the Commission will draw on the information in this report in considering the individual merits of each proposal at separately noticed hearings.

The Fallbrook region comprises four distinct subregions – Bonsall, De Luz, Fallbrook, and Rainbow – and finished the report period with a total population estimate of nearly 57,000. This estimate makes the region one of the largest unincorporated communities in San Diego County.



Recommendations

The following recommendations call for specific action either from San Diego LAFCO and/or one or more of the affected agencies in the Fallbrook region based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations for Commission action are dependent on a subsequent directive from the membership and through the annually adopted work plan.

1. San Diego LAFCO should coordinate with the County of San Diego and SANDAG to develop buildout estimates specific to each affected agency in the Fallbrook region and incorporate the information into a future municipal service review. This should include assessing potential impacts tied to the recent passage of Senate Bill 9 (Weiner) and the allowance for additional lot splitting to accommodate more housing throughout California.
2. The estimated loss of nearly (one-fifth) of avocado acreage in the Fallbrook region during the five-year report period is concerning and contrasts with San Diego LAFCO's adopted policies to promote and enhance agricultural resources. The Commission should explore this topic in more detail as part of its current two-year planning grant with the State of California to independently assess agricultural trends in San Diego County.
3. San Diego LAFCO should coordinate with the County of San Diego to identify permitted groundwater wells and septic systems within Fallbrook PUD and Rainbow MWD and incorporate the information into a future municipal service review.
4. San Diego LAFCO should address Fallbrook PUD's recycled water service activities as part of a future policy update to Commission Rule No. 4 with respect to formally identifying the function, class, and authorized location as necessitated under Government Code 56425(i).
5. San Diego LAFCO should develop performance measurements in consultation with North County FPD with respect to hazardous materials response and weed abatement (fuel reduction) and incorporate the analysis into future municipal service reviews.
6. Additional information is needed to determine the number of mutual water companies operating in the Fallbrook region. San Diego LAFCO should defer this analysis, accordingly, to a future informational report and in doing so meet its related obligation in statute.
7. San Diego LAFCO should revisit fire protection and emergency medical services and costs in the North County FPD as part of an update to the Commission's countywide fire service study.



Agricultural lands in Fallbrook, California.



Downtown
Fallbrook area on
a sunny day.

» Recommendations

8. North County FPD should consolidate its two existing taxing authority zones into one and eliminate the antiquated and cumbersome distinction associated with maintaining a separate subzone for the Rainbow community.
9. Opportunities for additional consolidations in the Fallbrook region appear notionally plausible – and in some cases presumably probable. No information analyzed in this report, however, suggest the timing of any consolidation proposals are imminent or otherwise merit initiation by San Diego LAFCO at this time.
10. All affected agencies in the Fallbrook region should enhance accountability to their constituents by permanently live-streaming and posting videos of board meetings online. These efforts grant constituents immediate access to the Board while remedying logistical obstacles (work, childcare, etc.) and further sunlights decision-making.
11. The Commission should prepare a future informational report to advise on current statutory thresholds and associated incorporation opportunities in the Fallbrook region.
12. Fallbrook PUD has filed a reorganization with San Diego LAFCO to activate certain latent powers and headlined by parks and recreation, roads, and street lighting. Approval of the proposal may further illuminate the merits of reorganizing Fallbrook PUD into a community services district to provide a local governance model that can continue to evolve with the community needs and serve as the preferred transitional vehicle to a potential incorporation.
13. Neither Fallbrook PUD or Rainbow MWD report providing municipal services beyond their jurisdictional boundaries. There also does not appear to be any pending needs or demands to establish services outside the affected agencies' boundaries. San Diego LAFCO should proceed with updating and affirming – with no changes – these agencies' spheres of influence upon completion of the municipal service review.
14. There appears to be merit to expand North County FPD's sphere of influence into Riverside County to more accurately reflect the FPD's current and probable service area going forward given location and existing automatic aid arrangements. San Diego LAFCO should fully explore this potential amendment upon completion of the municipal service review.