SAN DIEGO LAFCO

COMMISSION MEETING
APRIL 6, 2026

SAN DIEGO LAFCO

Agenda Item No. 6a

Draft MSR on Carlsbad-Encinitas Region (Part I)

4/6/2026

What is an MSR & Why do they Matter?

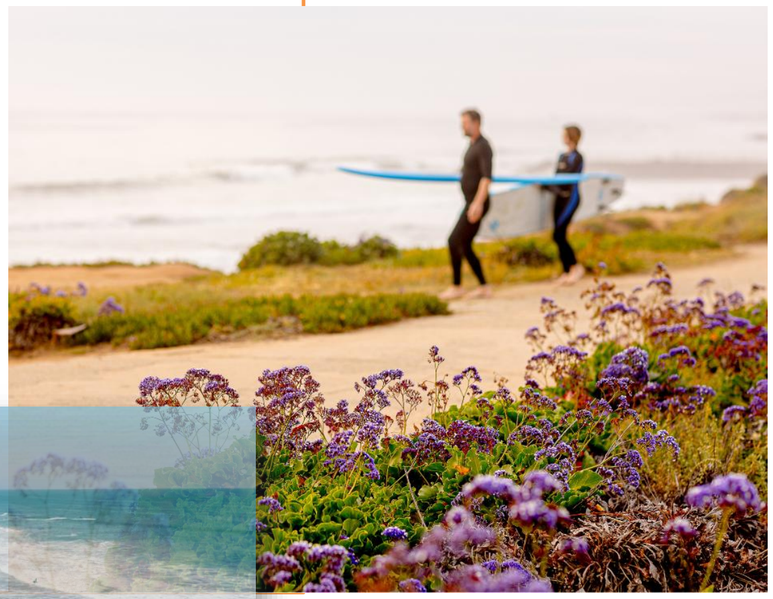
Comprehensive, independent assessment of municipal services

1. Updates to spheres of influence every five years for cities and special districts
2. Inform boundary changes and outside service extensions over the same five-year horizon
3. Initiate reorganizations of local agencies and/or establish new local agencies

What MSRs are Required to Address

1. Growth and population projections
2. Location of Disadvantaged Unincorporated Communities
3. Capacity of public facilities
4. Financial ability to provide service
5. Opportunities for shared facilities and efficiencies
6. Governance and restructure options
7. Environmental Justice

Local Policy





How this MSR is Organized

Two standalone parts:

Part I: Carlsbad Subregion
- City of Carlsbad
- Carlsbad MWD

Part II: Encinitas Subregion
- City of Encinitas
- San Dieguito WD
- Leucadia WWD
- Olivenhain MWD

Carlsbad – Encinitas Region MSR

Today's Public Hearing

- City of Carlsbad – Originally opened March 2nd, continued to April 6th
- Carlsbad MWD – Opening today for first time

Structure + Key Assumptions & Benchmarks

Five-Year data collection window: FY2019-FY2023

*limited exceptions

Overview: City of Carlsbad

- Incorporated in 1952 (5th largest municipality in county)
- 39-square miles
- Population: ~116,400





Ft. Knox, famous old gold mill on Banner Grade, six miles east of Julian, comes alive once more. Pick-and-shovel method of taking gold has been replaced, however, with modern machinery. Area is in action for first time since 1934.

THAR'S GOLD IN-
Old Diggings Active On Banner Grade

THE SAN DIEGO UNION
COUNTY NEWS
a-16 SUNDAY MORNING, JUNE 22, 1952

Carlsbad to Vote On Incorporation

Residents to Decide Tuesday, Also Name Seven for Offices Under City Status

CARLSBAD — Residents here will go to the polls Tuesday to decide whether Carlsbad, with an estimated population of 5200, should incorporate into a city. At the same time they will select five city councilmen, a clerk and treasurer who would take office if the incorporation is approved.

Voting will take place at five consolidated polling places from 7 a.m. to 7 p.m. There are 2605 registered voters.

Two factions have carried opposing views to voters in the election campaign.

TWO VIEWPOINTS

Eddie Kentner, of the Committee on Incorporation, stated:

"I have opposed incorporation for years, but now I think it is time to incorporate." He said water keynotes the fight and claimed "we will get Colorado River water immediately" if incorporated. He said having the new San Diego Gas and Electric Co. plant "with a 66-million-dollar investment" within a city "would help lighten the tax load."

"The only strong argument for incorporation is the scare of annexation by Oceanside" which is "impossible without the people's consent."

CANDIDATES LISTED

Council candidates are Manuel Castorena, Raymond Ede, George Grober, Percy Holmes, John E. Keenan, C. D. McClellan, Dick O'Hanneson, Walter B. Parysek, Frank B. Smith and Mrs. Lena M. Sutton. Unopposed candidates are Edward G. Hagen for city clerk, and W. Roy Pace for treasurer.

Polling places are a residence at 2684 Highland Dr., State Forestry Station at 680 Highway 101, residence at 1341 Oak St., residence at 1039 Chestnut St., and residence at 3461 Garfield St.

Two Previews Set for Film

San Diego's municipal film, "The City You Live In," will have two previews before making its debut at 8 p.m. Friday at the County Fair.

City councilmen, who authorized production of the 27-minute color film, will see it at 11 a.m. Tuesday at the Civic Center. Another screening will be held at 4:30 p.m. Tuesday for department heads who participated in the filming.

A small brochure about the movie will be distributed at the city's Del Mar exhibit, where the picture will be shown throughout the fair. Brochures later will be given to all persons who see the picture elsewhere, O. W. Campbell, city manager, said yesterday.

The brochure contains some scenes from the film itself, 10 principal municipal accomplishments in the last year and basic facts about San Diego.

Rare Plants Stolen

ESCONDIDO—Theft of 100 rare hybrid iris and day lily plants ready for shipment to the east was reported yesterday by Tom Craig, of Star Route Box 315. Craig told deputy sheriff Jack Powell the plants, valued up to $9 each, disappeared Tuesday from his ranch on Highway 395, 10 miles north of here.

Work! Play! Go Anywhere IN AN E&J WHEEL CHAIR
Everest and Jennings wheel chairs are lightest and strongest of them all. Beautifully designed of chrome plated tubular steel.
FOLDS TO 10 INCHES
RENTS LESS THAN 30¢ PER DAY (Nov. 30 Day)
FREE Home Demonstration
2895 El Cajon Blvd.
● Ph. T-1-8151 ●
ABBEY RENTS
SPECIAL CHAIRS & ACCESSORIES To Fit Every Need

GAY & CONSTANCE
3693 5th Ave.—Corner 5th & Pennsylvania—W-6919
SPECIAL DISCOUNT
12 Spot Reducing, Slenderizing Treatments
Also Special Discount for a Series of:
• Mineral Steam & Vapor Baths
• Swedish Massage — Physical Therapy
• Colonics with oxygen—painless, pleasant
FOR $12.00 (1 hour each)
Exclusively for Women
Open Evenings by Appointment
BRING THIS AD FOR A FREE TREATMENT

"Tradition"
DIAMONDS

Overview: City of Carlsbad

Central narrative: expansion mode → stewardship

Five Specific Service Functions:

1. Wastewater
2. Integrated Fire Protection
3. Parks and Recreation
4. Library and Cultural Arts
5. Community Development

Themes & Conclusions

a) Expansion → Stewardship

b) Population Growth in Lower + Deliberate Gear

c) Housing Demand + Affordability Gap

d) Governance Advantage

e) High Performing + Adaptive Services

f) Service Questions Going Forward

g) Strong Financial Position

h) Financial Questions Going Forward

i) Bottom Line

j) LAFCO interests Going Forward

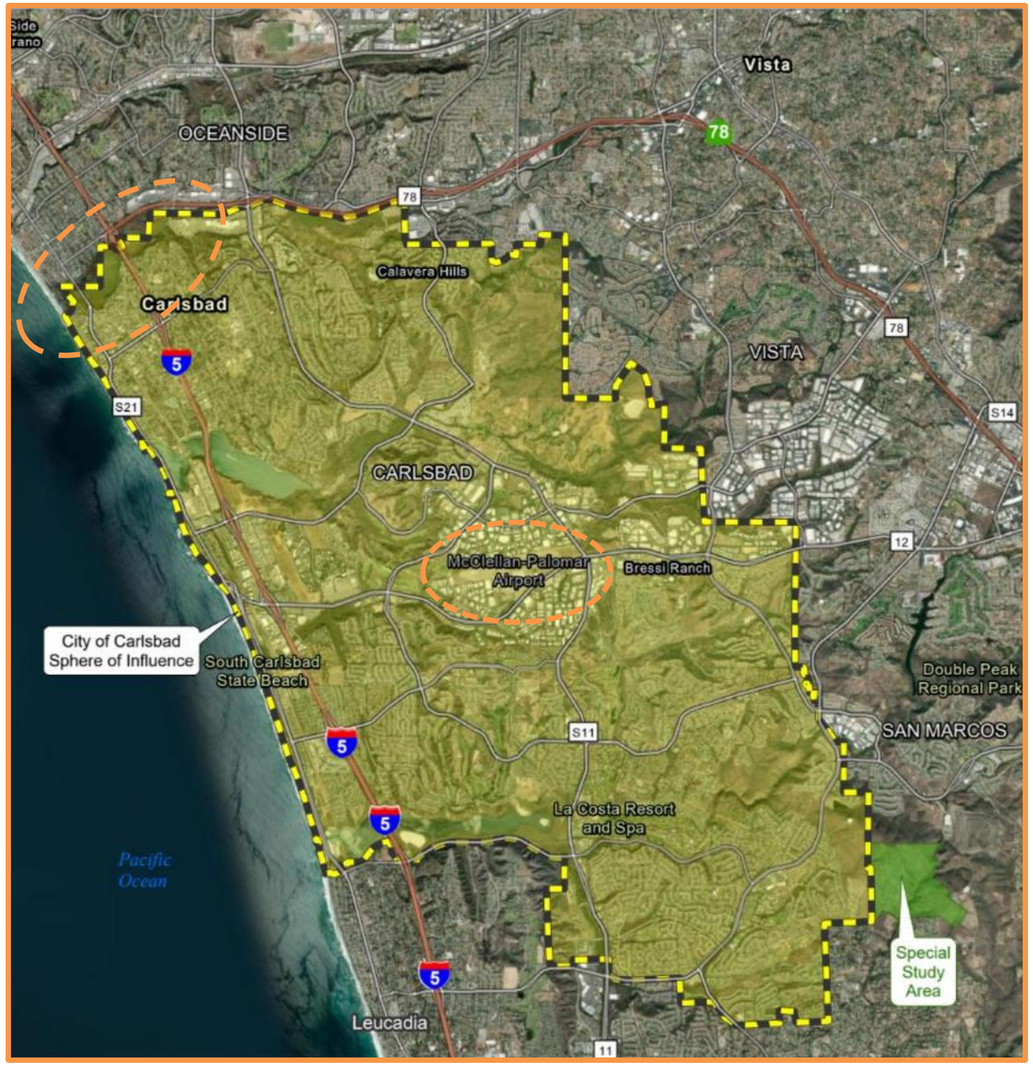
Specific Recommendations

a) **Commission**: Redirect growth towards Carlsbad

b) **City**: Distinguish CMWD's separate role

c) **Commission**: Explore McClellan-Palomar Airport Topic

d) **Commission**: Explore 78 Corridor boundary true-up



Overview: Carlsbad MWD

- Formed in 1954 as an independent special district
- 1990 – reorganized as a subsidiary district
- City Council serves as CMWD board, staff integrated into the Utilities Division

MSR focus: potable water function, governance, & finances

Key Themes & Conclusions

a) Unexpected Journey

b) Steady Hand

c) Headroom

d) Ratepayer Value

e) Unified Service Advantage

f) Good Test Scores with Some Softening

g) Governance + Accountability

h) LAFCO's Interest Going Forward

Specific Recommendations

a) **District**: Strengthen Agency Visibility

b) **LAFCO**: Dive into Recycled Water

c) **District**: Access Latent Power Activation

d) **LAFCO**: Affirm Sphere with Qualifier



Summary and Direction Requested

Both agencies well-positioned to provide reliable, high-quality services within their boundaries

Commission: Does the review meet scope and content expectations?

Next Steps:

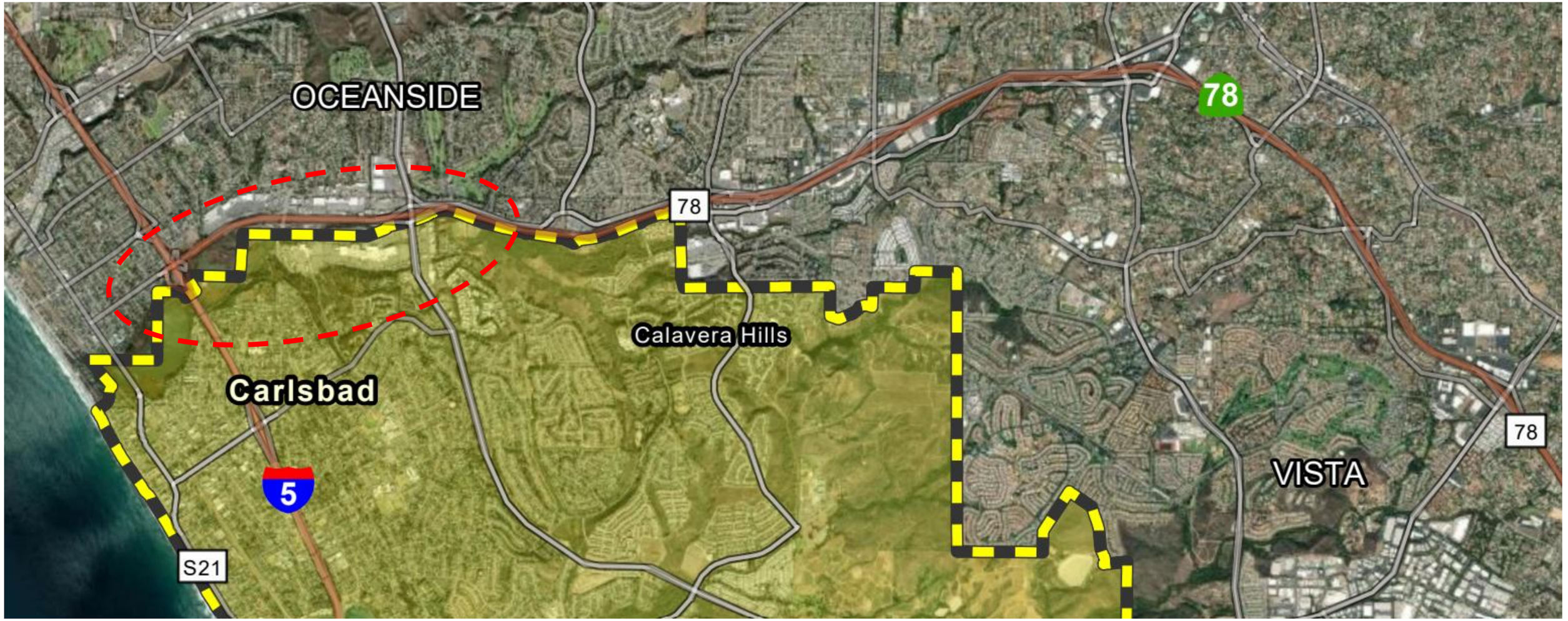
- Initiate 45-day public review and comment period → return final version as early as June
- If more work is needed, staff to revise and return

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Recommendation #6
State Route 78 Corridor boundary true-up



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Policy L-107: Response to Request for Review

4/6/2026

Policy L-107: Response to LSWFPD Request for Commission Review

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- District requested Commission review of Policy L-107
- Focus is on staff's **administrative implementation**
- **Related to anticipated reorganization application** stemming from OAS24-12 ("Delgado-Andrade – 24th Street Outside-of-Agency Service Agreement") emergency wastewater service approval
    - Consistent with Policy L-113 and Gov. Code Section 56133

Policy L-107:
Purpose and Waiver Authority

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- Applies to proposed or pending changes of organization or reorganization
- Intended to promote **early identification and discussion of jurisdictional issues** (example: Fallbrook/Rainbow detachment)
- **Encourages pre-application consultation** where unresolved issues may exist
- Expressly allows Executive Officer waiver
    - When proposal will not result in unresolved jurisdictional issues

Staff's Application

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- Earlier LAFCO action was approval of emergency out-of-agency service
  - not itself a change of organization or reorganization
- Anticipated filing is a Commission-imposed compliance obligation
  - not an independently initiated discretionary proposal
- Staff determined L-107 does not readily apply
- Executive Officer formally exercised waiver authority February 12, 2026

Basis for Executive Officer's Waiver

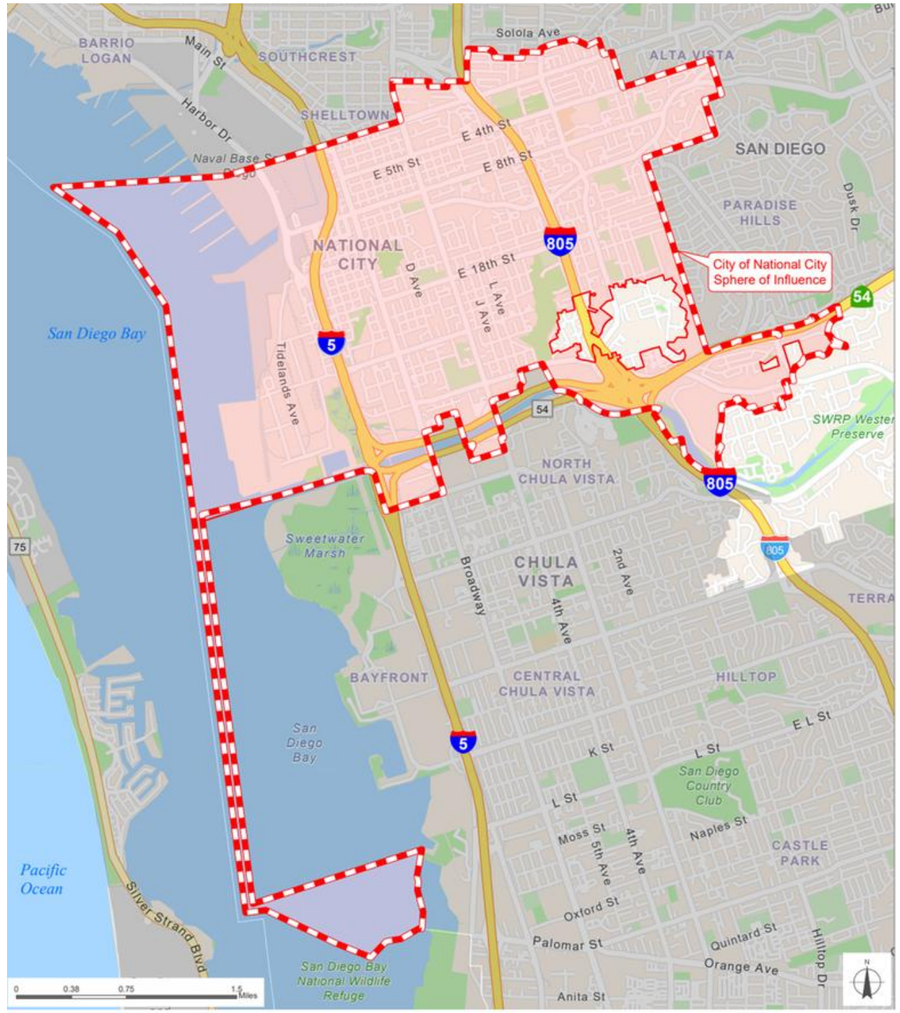
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- **Commission-imposed** filing requiring applicant-led consultation would create unnecessary **procedural and financial burden** on landowners given Commission's existing determinations
- National City sphere of influence
  - Reflects **Commission's determination** as the affected territory's appropriate long-term service provider
- Lower Sweetwater FPD zero sphere
  - Reflects **Commission's policy** interest in eventual dissolution

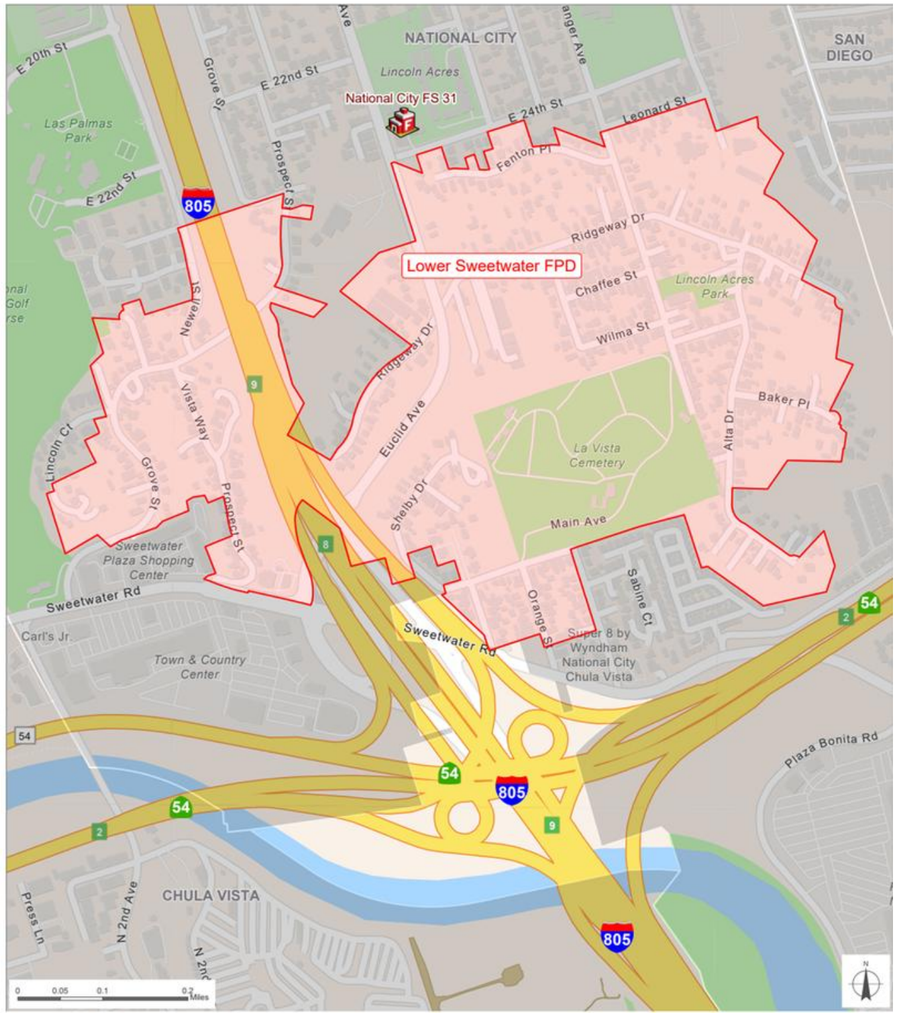
Aligned with Commission Policy & Sphere Determination

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City of National City



Lower Sweetwater FPD



Procedural Rights and Next Steps

- District's procedural rights remain fully preserved
- **Upon filing, District will:**
  - receive notice as an affected agency
  - have opportunity to submit comments
  - may address the Commission
- Staff has encouraged direct coordination with National City to address any service-related concerns

Staff Recommendation

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- **Receive the report and provide feedback, as appropriate**

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Agenda Item No. 7b

Alliance of LAFCOs Update and Proposed Next Steps

4/6/2026

Background

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PREVIOUS CALAFCO MEMBERSHIP

Discontinued membership in FY 2025-2026

MOU FOR SUBSTITUTE SERVICES

Established
July 2025

Expires
June 2026

ALLIANCE OF LAFCOS

Los Angeles
Orange
San Bernardino
San Diego

Alliance of LAFCOs

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FOUR CHARTER LAFCOS

Los Angeles
San Bernardino
Orange
San Diego

Key Milestones

- Established Membership Listserv
- Executed Joint Legislative Advocacy and Lobbying Services Contract
- Executed Joint Contract for Audit Services
- Coordinated and Held Initial Workshop in March 2026

Proposed Conceptual Structure

Two-Year Transition (FY 2027 & FY 2028)

MOU ⟶ Nonprofit Organization

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- **Governance Structure**
  - Twelve Member Board of Directors
    - Four Executive Officers (Voting Members)
    - Eight Commissioners
- **Administrative Structure**
  - Approximately 120 Staff Hours Annually
  - Key Event Coordination:
    - Quarterly Alliance Meetings
    - Legislative Committee Meetings
    - Annual Workshop
    - Manage Contract Services
- **Financial Structure**
  - Equal Cost-Sharing
  - $30,000 for FY27 and FY28

Recommendations

1. Support continued participation in the Alliance under the existing Memorandum of Understanding – including reappointments of Chair Becker and Vice Chair Willis;
2. Authorization for the Executive Officer to participate on behalf of the Commission in forming a non-profit entity; and
3. Approve a two-year funding commitment of $30,000 for FY27 and FY28.

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CLOSED SESSION

STREAM RESUMING SHORTLY

APRIL 6, 2026

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