LAFCO
San Diego Local Agency Formation Commission

1600 Pacific Highway • Room 452 • San Diego, CA 92101
(619) 531-5400 • FAX (619) 557-4190
Website: www.sdlafco.org

Chairman

Bill Horn
County Board of
Supervisors

Vice Chairman

Bud Pocklington
South Bay
Irrigation District

Members

Dianne Jacob
County Board of
Supervisors

Donna Frye
Councilmember
City of San Diego

Carl Hilliard
Councilmember
City of Del Mar

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

Andrew L. Vanderlaan
Public Member

Alternate Members

Greg Cox
County Board of
Supervisors

Sherri Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

William D. Smith

AGENDA
SPECIAL DISTRICTS ADVISORY COMMITTEE
FRIDAY, AUGUST 21, 2009, 9:00 A.M.
COUNTY ADMINISTRATION CENTER
ROOM 402A
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

Agenda Item:		Recommended Action:
1.	**Roll Call**	
2.	**Approval of Minutes of Meeting held June 19, 2009**	**Approve**
3.	**Consultant's Recommended Agenda Revisions**	**Receive**
4.	**Committee Member / Consultant's Announcements**	**Information**
5.	**Public Comment** Opportunity for persons to speak to the Committee on any subject within the Committee's jurisdiction, but not an item on today's agenda. Each speaker's presentation may not exceed 3 minutes.	
6.	**Discussion and input on Draft Legislative and Regulatory Guidelines: Water Supply and Availability**	**Discussion/ Direction**
7.	**Review of Rincon Oaks Estates Reorganization**	**Discussion/ Direction**
8.	**Adjournment to the September 18, 2009 Meeting Date***	

*The September 18, 2009 meeting will only be scheduled on an "as needed" basis.

Note: Refreshments will be avalable at the meeting.

LOCAL AGENCY FORMATION COMMISSION
SPECIAL DISTRICTS ADVISORY COMMITTEE
JUNE 19, 2009 MEETING

2

DRAFT MINUTES

There being a quorum present, the meeting was convened at 9:00 a.m., by Acting Chairman Tom Pocklington (Bonita-Sunnyside FPD). Attending were: **Committee Members** – Gary Arant (Valley Center MWD), Gary Croucher (Otay Water District), Judy Hanson (Leucadia WD), Larry Jackman (San Miguel Consolidated FPD), Douglas Humphrey (Resource Conservation District of Greater San Diego County), John Pastore (Rancho Santa Fe CSD), Augie Scalzitti (Padre Dam MWD), Dennis Shepard (North County Cemetery District), Kimberly Thorner (Olivenhain MWD), and Diana Towne (Rincon del Diablo MWD). **Committee Members** – Absent: Ron Fuller (Alpine FPD) and Jim Poltl (Vallecitos Water District); Attending **LAFCO Staff** – Executive Officer Michael Ott; LAFCO Consultant Harry Ehrlich; and Local Governmental Analyst Claire Riley.

Item 2
Approval of Minutes of December 19, 2008

ON MOTION of Kimberly Thorner, and seconded by John Pastore, abstaining Gary Croucher, Diana Towne, Dennis Shepard, Larry Jackman, approval of minutes by the remaining committee members, the Committee dispensed with reading the December 19, 2008 minutes and approved said minutes.

Item 3
Consultant's Recommended Agenda Revisions

Harry Ehrlich mentioned as a result of Jo MacKenzie's appointment to LAFCO, Tom Pocklington is Acting Chair. Mr. Ehrlich requested adding a LAFCO presentation to Item 4. Mr. Pocklington noted that it would be added as a revision to the agenda.

Item 4
Committee Member/Consultant's Announcements

Harry Ehrlich announced that Tita Jacque Cayetano accepted a new position with Otay Water District and then introduced Tammy Luckett and Ruth Arellano, as the Committee's administrative staff support. In the audience, he introduced Claire Riley, Local Governmental Analyst; and Michael Ott, Executive Officer, LAFCO; Jo MacKenzie, LAFCO Alternate Special District Commissioner from Vista Irrigation District, who will receive a special honor from the Committee; and Paul Bushee from Leucadia Wastewater District.

Item 5
Public Comment

Jo MacKenzie, Representative, California Special Districts Association (CSDA), announced that CSDA's annual conference will be held September 21st thru 24th in Indian Wells, CA. She provided a brief summary of the conference and scheduled speakers.

Item 6
Election of Chairperson and Vice Chairperson for 2009 term

Harry Ehrlich provided the Committee with a report on the election process. He recommended that the Committee open nominations for Chairperson and Vice Chairperson, close the nominations, and appoint the 2009 Chairperson and Vice Chairperson.

Augie Scalzitti placed a motion on the floor to elect Tom Pocklington as Chairman to the Advisory Committee.

Judy Hanson seconded the motion.

Larry Jackman placed a motion on the floor to elect Gary Croucher as Vice Chairman to the Advisory Committee.

ON MOTION of Diana Towne, seconded by Larry Jackman, and unanimously approved by the remaining committee members, the Committee took the following actions:

1) Elected Tom Pocklington as Chairman to the Advisory Committee.

2) Elected Gary Croucher as Vice Chairman to the Advisory Committee.

Item 7
Discuss Interviewing Candidates to Fill Vacant Positions on Committee

Tom Pocklington provided a brief summary of the candidate selection process and the Committee's responsibilities. Six candidates were eligible. After review, three were recommended by the sub-committee: Margarette Morgan, Vista Fire Protection District; Richard Williamson, Borrego Water District; and Teresa Thomas, South Bay Irrigation District. Tom Pocklington asked for any suggestions to improve the selection process from committee members.

ON MOTION of Larry Jackman, seconded by Gary Arant, and unanimously approved by the remaining committee members, the Committee approved the recommendations to fill the vacant positions.

Item 8
Discussion of Pending Projects for 2009

Tom Pocklington encouraged a roundtable discussion for current or upcoming projects and interests in committee member's districts.

Gary Croucher – Attended UDC (Unified Disaster Council) meeting. He gave a special thanks to Supervisor Dianne Jacob for representing and recognizing Special Districts on this council.

Judy Hanson – Leucadia Wastewater District will be celebrating 50 years of business in November 2009.

Diana Towne – Nothing to discuss at this time.

Augie Scalzitti – Nothing to discuss at this time.

Gary Arant – Due to the ongoing drought, agriculture is declining rapidly in North County. A 1900-unit development is proposed on the west side of the District. There will be future water issues regarding this development project.

John Pastore – Rancho Santa Fe CSD will be celebrating its 30th anniversary next year.

Kimberly Thorner – The Olivenhain Metropolitan Water District is celebrating its 50th anniversary. The District is currently not allowing new meters or considering any new annexations due to a Level II drought situation beginning July 1, 2009 (demand offset fees are available for developers). Possible feasibility studies for potential test wells will be completed during the next fiscal year for the San Elijo area.

Dennis Shepard – No major activities at this time. The North County Cemetery District is in the process of sinking a couple of water wells to possibly get away from depending on potable supply from other agencies.

Doug Humphrey – The Resource Conservation District is consolidating offices from three buildings to one in order to reduce overhead costs. The main office is now located in Santee.

Larry Jackman – Announced there is an upcoming article in the CSDA Newsletter (Local Chapter) for scholarship awards. This Chapter has awarded over $100,000 in scholarships over their history. In July, the "kickoff" for membership begins for the Local Chapter. He encouraged renewal membership or sign up as a new member. He indicated other agencies are looking to support the state organization in Sacramento.

Item 8 (Cont.)
Discussion of Pending Projects for 2009

Tom Pocklington – Announced the Assessor/Recorder/County Clerk's office is proactive about assessment reviews and appeals for property owners interested in reducing their assessed values. In some areas of the County they are automatically reducing values, without appeal or review requests from property owners, if the property was purchased after 2002. Once an application has been submitted, you will not have to re-file. Reductions can also be more than what the property owner originally requested. Appeals can be filed if property owner's opinion of reduction value is not comparable.

Jo MacKenzie was congratulated for her appointment as an Alternate, Special District Commissioner for LAFCO and was presented an award for 15 years of service and appreciation by the Committee. Several years of her service to the Advisory Committee were held as Chairwoman.

Harry Ehrlich discussed a water workshop presented at the last LAFCO meeting in June. He identified the speakers who presented the current issues related to water policy, demand and supply. Gary Arant gave a brief explanation of the impact these issues are having on agricultural areas in the County, especially in the North County. Alternative ideas were discussed at the meeting but most agreed that those ideas would not be able to support all of the agricultural needs. Mr. Ehrlich indicated the Commission has asked for staff to return in 120 days with updated recommendation on these issues. Upcoming projects include: annexation of the Rincon project; wastewater and recycled water alternatives; and policy development related to water offsets. Mr. Ehrlich indicated the Committee's guidance will be needed during this process to help clarify and strengthen the LAFCO policies. Fire service island issues and property tax allocations will be additional upcoming projects in the next few months. He indicated that the July 17, 2009 meeting will be cancelled.

Kimberly Thorner presented Harry Ehrlich an award from the YMCA, Youth Sponsor Award by the County of San Diego for his dedicated services

Item 9
Adjournment

Tom Pocklington thanked the committee for his appointment as Chairman and requested any future agenda items to be submitted in a one page e-mail.

Unanimously approved by the committee members present, the Committee took the following action:

Approved the cancellation of the July 17, 2009 meeting for the Advisory Committee.

Item 9 (Cont.)
Adjournment

There being no further business to come before the Special Districts Advisory Committee, the meeting was adjourned at 9:45 a.m. to the tentatively scheduled meeting on August 21, 2009, if it is to be held.

Ruth Arellano
Administrative Assistant

LAFCO
San Diego Local Agency Formation Commission

1600 Pacific Highway • Room 452 • San Diego, CA 92101
(619) 531-5400 • FAX (619) 557-4190
Website: www.sdlafco.org

Chairman

Bill Horn
County Board of
Supervisors

Vice Chairman

Bud Pocklington
South Bay
Irrigation District

Members

Dianne Jacob
County Board of
Supervisors

Donna Frye
Councilmember
City of San Diego

Carl Hilliard
Councilmember
City of Del Mar

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

Andrew L. Vanderlaan
Public Member

Alternate Members

Greg Cox
County Board of
Supervisors

Sherri Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

William D. Smith

August 21, 2009

6

TO: Special Districts Advisory Committee

FROM: LAFCO Consultant
Executive Officer

SUBJECT: Draft Legislative and Regulatory Guidelines: Water Supply and Availability

BACKGROUND

In April 2008, the San Diego LAFCO requested LAFCO staff and the Special Districts Advisory Committee to review and consider the development of a comprehensive policy on water supply and availability. Concerns regarding this subject area have recently become more pronounced due to the current drought declaration and limitations on imported water supplies from the State Water Project and the Colorado River. In June 2009, after two extensive Water Supply Workshops, the Commission authorized LAFCO staff to formulate policy proposals to guide our legislative and proposal (regulatory) review programs.

As outlined in prior reports and presentations, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) directs LAFCOs to consider the timely availability of water supplies adequate for projected needs (Government Code Section 56668(k)). In addition, Government Code Section 55668(b) requires LAFCOs to consider the adequacy of services. In the past, the San Diego LAFCO has relied primarily upon the planning agency and the local water purveyor to review and attest to the adequacy of water supply and capability. While this approach has worked well in the past, it may be necessary to require additional documentation from affected agencies regarding the availability of adequate water supplies.

The water supply issue has been extremely fluid within the past year, especially during the past six months. From the State of California to local water agencies, the drought has resulted in numerous announcements and alerts to reduce water consumption. On June 4, 2008, Governor Schwarzenegger declared a statewide drought and ordered water transfer restrictions. In October 2008, the State Department of Water Resources issued a 2009 water supply initial allocation of 15 percent, the second lowest in state history. In April 2009, the Metropolitan Water District of Southern California (MET) announced that it would reduce water

deliveries to the San Diego County Water Authority by 13 percent, starting on July 1. On July 1, 2009, the CWA Board agreed to cut water deliveries to member agencies by 8 percent and issued a Level 2 Drought Alert. The Level 2 Alert enables the CWA's 24 member agencies to adopt mandatory conservation measures.

While it is not a LAFCO responsibility to plan or oversee how water is delivered or to oversee the operational aspects of water purveyance, it is clear that LAFCO does have purview over assessing whether local agencies have long-term capability to provide essential municipal and community services.

DISCUSSION

At multiple meetings of the San Diego LAFCO and Special Districts Advisory Committee, discussions were held on the activities regional and local agencies are taking to address the drought. During a the LAFCO water workshops, the Commission heard from the San Diego CWA regarding its Drought Response Plan and the effect a 10% reduction of water supplies will have on its 24-member agencies. Also discussed was the effect on agricultural customers that entered into Interruptible Service Contracts. Agricultural customers must cut back consumption by 30 percent or experience significant financial penalties. Other programs, such as development of recycled supplies and local groundwater projects, were also discussed at the LAFCO workshops. At one workshop, the San Diego Regional Water Quality Control Board reported about the effect that Federal and State environmental laws has had on innovative water supply projects in the region. The Commission also received updates about desalination efforts, particularly the project in Carlsbad that may deliver about 10 percent of the local demand for potable water. It was noted, however, that environmental litigation may impact the scheduled 2012 implementation of this desalination project, rendering it ineffective in addressing the present drought situation.

With respect to legislation, LAFCO and the Special Districts Advisory Committee received updates regarding the over 30 bills that have been introduced in the California Legislature. These bills have placed added emphasis on water supply, availability, reliability and conservation. Several proposals are also being discussed for an additional water bond to fund essential supply and reliability projects. With the current state fiscal crisis, it is not clear if a bond proposal will gain approval for placement before the voters.

In consideration of the above factors, the Commission directed the staff to formulate policy guidelines to address both legislative and regulatory aspects of LAFCO's role with water supply issues. A set of draft guidelines are proposed in Attachments A and B to establish the framework from which actual policy language will be drafted.

DRAFT LEGISLATIVE POLICY GUIDELINES

The proposed legislative policy guidelines provide general direction for LAFCO's legislative efforts. The guidelines would assist the Commission in developing policy and actual positions on legislation that furthers LAFCO's mission for the provision of water supply and delivery in accordance with Government Code Section 56668. It is envisioned that LAFCO staff would monitor and report to the Commission on activities of federal, state, and local agencies that impact the San Diego LAFCO's ability to carry out this mission.

Managing resources at the regional or local level and developing the most efficient and responsive service delivery models are foundational principles that guide all LAFCO decisions. Carrying forward these legislative policy guidelines will help local agencies provide effective services and meet the needs of water customers. The guidelines would also result in policies that could foster a unique level of collaboration between LAFCO and local and regional agencies with respect to improving and diversifying water supplies for the region.

DRAFT REGULATORY POLICY GUIDELINES

In any proposal considered by LAFCO that includes the extension of water services, State Law requires that the Commission encourage orderly growth and development essential to the social, fiscal and economic well-being of the State. Furthermore, LAFCO must balance competing interests of encouraging orderly development with an indication of when those services can feasibly be extended to affected territory (Government Code Section 56653(b) (3). Water supply and reliability are becoming a more complex group of factors to consider. For example, in cases where a large, long-term project might include phased development, a local agency should be required to demonstrate that adequate service capacity will be available in each development phase. In other cases, where a property may be annexed to an agency for sewer, fire, or other municipal services, the proponent is still required to demonstrate adequacy of a water supply (Government Code Section 56668(k)). In addition, the use of demand offsets and alternative water supplies, such as recycled water, groundwater and conservation, are expected to be considered as a segment of the water supply portfolio. Nonetheless, while reliance upon data from the servicing local agency will remain a key component of LAFCO's review, State Law does require that LAFCO make its own independent determination about water supply and availability.

Therefore, LAFCO staff will review and validate as needed, the documentation submitted by local agencies, as part of any proposal. Resource documents such as Urban Water Management Plans, Water Master Plans, Capital Improvement Plans, and other documents should be

referenced and submitted with LAFCO applications. A technical report or assessment describing how a project will be served should be included to assist LAFCO in the review and analysis of jurisdictional proposals. LAFCO staff anticipates that continued close coordination with local agencies and the San Diego CWA will be the most effective implementation approach towards any new LAFCO policy.

CONCLUSION

While no one template or approach can be expected to fit all legislative or regulatory policy proposals, the proposed guidelines will assist the staff in crafting policies that will carry out LAFCO's mission more effectively and transparently. The guidelines will also help ensure that a plan for water supply and sustainability will be developed at an early stage in the water planning process. This in turn will provide guidance and consistency for LAFCO decisions. It is likely that if the policy guidelines are approved, current LAFCO application forms and procedures will need to be amended to obtain necessary information from local agencies. In addition, LAFCO staff would actively involve all affected agencies in the review of the guidelines before consideration by the full LAFCO commission.

As stated previously, this report is provided to the advisory committee per direction from the San Diego LAFCO. Accordingly, the committee's comments and advice are requested. Specifically, the committee should discuss and provide direction/comments on:

1. Attachment A: Proposed Legislative Policy Guidelines, and
2. Attachment B: Proposed Regulatory Policy Guidelines.

Respectfully Submitted,

HARRY EHRLICH
LAFCO Consultant

MICHAEL D. OTT
Executive Officer

Attachment A: Proposed Legislative Policy Guidelines
Attachment B: Proposed Regulatory Policy Guidelines
Attachment C: Government Code Section 56668
Attachment D: Government Code Section 65352.5

ATTACHMENT A

San Diego LAFCO
Proposed Legislative and Programmatic Policy Guidelines
For
Water Supply and Reliability

1. Decision-making with regard to water supply and reliability should be kept at the regional and local level through coordinated activities of local water agencies, cities, special districts and the County of San Diego. Legislative efforts should be coordinated to support and collaborate with local agencies wherever possible under the goals of the Cortese-Knox-Hertzberg Act of 2000.

2. Water supply development and diversification, reliability, conservation and sustainability are essential principles to ensure an adequate and viable economic environment for present and future residents in San Diego County. Resources should be developed to be diversified where possible yet under local agency control and management.

3. The federal, state and regional agency's role in water supply development should be to provide intra-regional coordination and incentives for supply reliability and to reduce or remove regulatory hurdles and barriers to conjunctive uses by local water agencies. Examples may be desalination, groundwater and reuse programs.

4. Proposed actions by various agencies or entities to manage or control water supply and reliability should not restrict the ability of LAFCO to make required determinations on proposals before them subject to the Cortese-Knox-Hertzberg Act of 2000. Development of program standards and criteria by water supply agencies should be encouraged.

5. Decisions by San Diego LAFCO shall encourage that long range planning for water supply and reliability be integrated within the local water agencies, cities, special districts, County of San Diego, SANDAG and San Diego LAFCO. San Diego LAFCO's role is to oversee the logical service delivery organizational structure for future services.

6. San Diego LAFCO will collaborate with, monitor and provide input regarding legislative and programmatic proposals to applicable federal, state, regional and local agencies and policy makers on issues impacting water supply and reliability, incorporating the Water Supply Policy Guidelines as adopted by the Commission from time to time.

7. The commission encourages input from the Special Districts Advisory Committee on legislative and programmatic issues and shall consider the input by the committee on matters related to water supply and availability issues. The Executive Officer may refer those items to the committee that he/she believes are relevant for review and input prior to submitting them to the commission for consideration.

ATTACHMENT B

San Diego LAFCO
Proposed Regulatory Policy Guidelines
For
Processing of Proposals Impacting Water Supply and Reliability

1. San Diego LAFCO's role is to oversee the logical service delivery through efficient local governmental organization structure for future services as defined in Cortese-Knox-Hertzberg Act of 2000. The commission shall encourage that long range planning for water supply and reliability should be integrated within the local water agencies, cities, special districts, County of San Diego, SANDAG and San Diego LAFCO.

2. Decision-making with regard to development of water supply and reliability should be focused at the regional and local level through coordinated activities and planning of local water agencies, cities, special districts and the County of San Diego. The commission shall support these efforts where possible to meet legislative and regulatory goals and mandates.

3. The development of alternative water sources, conservation, demand management and demand impact offset programs to mitigate new projects or services by local water agencies and proponents of proposals will be considered in reviewing proposals submitted to the commission. LAFCO will collaborate with agencies on the establishment of offset programs and criteria as they are developed. Linkages with other LAFCO program priorities such as preservation of prime agricultural lands and open space will be included in reviewing proposals and project impacts.

4. During its review and processing, the commission shall place significant consideration on the input and recommendations of the local agency responsible for water supply and delivery when a proposal is submitted for consideration that may impact an agencies' service area, sphere of influence or services being provided. Use of resource documents such as Master Plans for Facilities and Urban Water Master Plans will be encouraged as part of the project submittal process. This process is routinely included as part of submittal of "will serve letters" to planning agencies. Where more than one service area or agency is impacted by a proposal, the commission shall seek input from all affected agencies.

5. The commission encourages input from the Special Districts Advisory Committee on policy and service related proposals and shall consider the input by the committee on projects impacted by water supply and availability issues. The Executive Officer may refer those proposals to the committee that he/she believes are relevant for review and input prior to submitting them to the commission for consideration.

ATTACHMENT C

GOVERNMENT CODE - 56668:

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

(b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

(g) Consistency with city or county general and specific plans.

GOVERNMENT CODE – 56668 (Cont.):

(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

(i) The comments of any affected local agency or other public agency.

(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

(n) Any information relating to existing land use designations.

(o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

ATTACHMENT D

GOVERNMENT CODE - 65352.5.

a) The Legislature finds and declares that it is vital that there be close coordination and consultation between California's water supply agencies and California's land use approval agencies to ensure that proper water supply planning occurs in order to accommodate projects that will result in increased demands on water supplies.

(b) It is, therefore, the intent of the Legislature to provide a standardized process for determining the adequacy of existing and planned future water supplies to meet existing and planned future demands on these water supplies.

(c) Upon receiving, pursuant to Section 65352, notification of a city's or a county's proposed action to adopt or substantially amend a general plan, a public water system, as defined in Section 116275 of the Health and Safety Code, with 3,000 or more service connections, shall provide the planning agency with the following information, as is appropriate and relevant:

(1) The current version of its urban water management plan, adopted pursuant to Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code.

(2) The current version of its capital improvement program or plan, as reported pursuant to Section 31144.73 of the Water Code.

(3) A description of the source or sources of the total water supply currently available to the water supplier by water right or contract, taking into account historical data concerning wet, normal, and dry runoff years.

(4) A description of the quantity of surface water that was purveyed by the water supplier in each of the previous five years.

(5) A description of the quantity of groundwater that was purveyed by the water supplier in each of the previous five years.

(6) A description of all proposed additional sources of water supplies for the water supplier, including the estimated dates by which these additional sources should be available and the quantities of additional water supplies that are being proposed.

GOVERNMENT CODE - 65352.5. (Cont.)

(7) A description of the total number of customers currently served by the water supplier, as identified by the following categories and by the amount of water served to each category:

(A) Agricultural users.
(B) Commercial users.
(C) Industrial users.
(D) Residential users.

(8) Quantification of the expected reduction in total water demand, identified by each customer category set forth in paragraph (7), associated with future implementation of water use reduction measures identified in the water supplier's urban water management plan.

(9) Any additional information that is relevant to determining the adequacy of existing and planned future water supplies to meet existing and planned future demands on these water supplies.

LAFCO
San Diego Local Agency Formation Commission

1600 Pacific Highway • Room 452 • San Diego, CA 92101
(619) 531-5400 • FAX (619) 557-4190
Website: www.sdlafco.org

Chairman

Bill Horn
County Board of
Supervisors

Vice Chairman

Bud Pocklington
South Bay
Irrigation District

Members

Dianne Jacob
County Board of
Supervisors

Donna Frye
Councilmember
City of San Diego

Carl Hilliard
Councilmember
City of Del Mar

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

Andrew L. Vanderlaan
Public Member

Alternate Members

Greg Cox
County Board of
Supervisors

Sherri Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

William D. Smith

August 21, 2009

7

TO: Special Districts Advisory Committee

FROM: Executive Officer
Local Governmental Analyst

SUBJECT: "Rincon Oaks Estates Reorganization" (City of Escondido) (RO08-26)

BACKGROUND

The "Rincon Oaks Estates Reorganization" was initiated by resolution of the City of Escondido and involves annexation of approximately 15.55-acres of unincorporated territory to the City. The City of Escondido has adopted development plans (TR892) for a 41-lot single-family residential subdivision on approximately 20.57-acres that includes the proposal territory and one adjacent incorporated parcel. The subject territory is currently used as a wholesale container plant nursery.

The proposal territory is currently located within the service area of the Valley Center Municipal Water District (MWD). The MWD has indicated that sufficient facility capacity exists to serve the proposed residential development; however, due to the increased drought conditions and water supply uncertainty, the MWD has reported that it cannot guarantee sufficient water supply to serve the proposed development *"...for the foreseeable future."* In the review of jurisdictional change proposals, State Law requires LAFCO to consider the *"timely availability of water supplies adequate for projected needs..."* (Govt. Code § 56668 (k)).

On April 14, 2009, the Metropolitan Water District of Southern California (MET), the primary imported water supplier to the San Diego County Water Authority (CWA), announced that it will reduce water deliveries to the region by 13 percent starting July 1, 2009. MET currently provides 71 percent of the San Diego region's water supply.

In response to reduced water supplies caused by regulatory restrictions, on-going drought conditions, and the impending cutbacks from MWD, the CWA Board of Directors declared a Level 2 "Drought Alert" condition on April 23, 2009. The CWA Board also agreed to cut water deliveries to its member

agencies by 8 percent effective July 1, 2009. The Level 2 declaration enables the CWA's 24 member retail agencies to adopt and implement mandatory conservation measures.

On May 4, 2009, the Valley Center MWD Board of Directors voted to implement Level 2, "Water Supply Shortage Alert Conditions" of the District's Water Supply Shortage Response Program, effective as of July 1, 2009. The Valley Center MWD Level 2 conditions include restrictions on service commitments and new meters.

The potential service delivery issues and conversion of agricultural land to a non-agricultural use creates a question as to the appropriate timing of the associated jurisdictional change. The Special Districts Advisory Committee is requested to discuss and provide direction regarding the implications of the recent MET/CWA/Valley Center MWD drought responses on the LAFCO annexation proposal review process. The Advisory Committee is also requested to discuss and comment on the proposal's potential effects on maintaining the physical and economic integrity of prime agricultural lands.

PROPOSAL DESCRIPTION/JUSTIFICATION

Proposed by resolution of the City of Escondido is a reorganization involving: annexation of approximately 15.55-acres to the City of Escondido; and concurrent detachments of the subject territory from County Service Area (CSA) No. 135 (San Diego Regional Communications System) and from the Deer Springs Fire Protection District (FPD). The proposed reorganization is necessary for the subject territory to receive urban services from the City of Escondido.

The proposed reorganization area is within the City of Escondido's adopted sphere of influence, and is contiguous to the City's incorporated boundary. The proposal area is comprised of two unincorporated parcels (Assessors Parcel Number (APN) 187-370-01, approximately 7.21-acres; and APN 187-370-30, approximately 7.81-acres); and an approximately .47-acre portion of an adjacent unincorporated parcel (APN 187-370-04, approximately 10.00-acres).

The proposal territory is currently located within the service areas of the Valley Center Municipal Water District (MWD), CSA No. 135, and the Deer Springs FPD for the provision of water, regional emergency communications, and fire protection services, respectively. Sewer, emergency communications, and fire protection services would be provided by the City of Escondido following the proposed reorganization. The concurrent detachments from CSA No. 135 and Deer Springs FPD are required to avoid creating an overlap of service responsibilities between the City and the

Districts. The City of Escondido and the County of San Diego Board of Supervisors have adopted a Master Property Tax Transfer Agreement that will govern the property tax transfer associated with this reorganization.

Land Use

The current County of San Diego zoning for the proposal territory is Single-Family Residential (RS-1), which allows up to 1 dwelling unit (du) per 1 acre (ac). The proposal territory is currently developed with an active commercial agricultural nursery which produces ornamental landscape plants in various sized planter boxes and containers. The proposed reorganization area is surrounded by rural residential and agricultural uses to the north and east, a religious facility to the south, and single-family residential development to the west.

The City of Escondido General Plan has designated the proposal territory as Estate II (up to 2 du/ac, with a 20,000 square feet min. lot size, 10,000 sq. ft. min. lot size allowed under General Plan clustering policy), and Suburban (up to 3.3 du/ac, with a 10,000 square feet min. lot size, 7,250 sq. ft. min. lot size allowed under General Plan clustering policy). The City has adopted pre-zoning for the proposal territory as Planned Residential Development (PD-R-1.99; up to 1.99 dwelling units per acre (du/ac); 7,920-10,000 sq. ft. min. lot size under General Plan clustering policy).

Proposed Development

The City of Escondido has approved a tentative map (TR892) for a residential subdivision that includes the approximate 15.55-acre proposal territory and one adjacent incorporated parcel (APN 187-370-65, approximately 5.57-acres). TR892 involves development of 41 clustered single-family residential lots and 7 open-space lots on approximately 20.57 acres (1.99 du/ac). The 41 residential lots will range in size from 8,408 square feet to 18,945 square feet. The existing wholesale container plant nursery would be removed as part of the development's construction.

The City of Escondido has adopted a Mitigated Negative Declaration (ER 2004-48) for TR892 that identified potentially significant environmental impacts related to biology, hazardous materials, traffic/circulation, and air quality. The City's conditions of approval for the proposed development includes mitigation measures that are intended to reduce the identified impacts to a less than significant level.

The City of Escondido General Plan encourages clustering in order to protect or preserve sensitive natural resources, avoid hazardous areas, or to preserve the natural appearance of hillsides. The clustering policy requires

50% of the proposed lots to be adjacent to open space, and the amount of lot size reduction, in square feet, must be replaced as open space. The proposed lot sizes have been reduced by approximately 5.38-acres through clustering. Total proposed active and passive open space is estimated at approximately 5.81-acres, which represents 28% of the approximately 20.57-acre development site.

The adjacent .47-acre parcel portion is included in the proposed reorganization area because it is intended to be dedicated to the City for the completion of roadway improvements to North Avenue. The roadway improvements will provide primary access to Rincon Avenue for the proposed residential development. Annexation of the parcel portion to the City is required in order to enable the City to assume maintenance responsibility for the subject roadway.

The proposal territory is gently sloping to flat, with elevations ranging from 795' to 756' above sea level. The proposal area is not located within the 100-year FEMA flood zone; however, a portion of the residential development site is located within a County designated 100-year floodplain. The City's conditions of approval require all lots to be graded above the 100-year floodplain. The City states that no structures are proposed for development in the floodway that would impede or redirect flood flows. An on-site detention basin is proposed in order to mitigate any increased runoff from the residential development site. Three bio-swales are proposed to treat the runoff prior to discharging to an existing off-site 100-year, partially lined, flood channel to the west.

Currently, two open graded flood-control drainage channels cross the subject territory (one entering from the north and the other entering from the east), which are used to convey agricultural and storm-water runoff. The existing flood-control channels would be widened and incorporated into the residential development's open space/flood control design. The modified flood-control channels would be used for wetland habitat preservation, creation, and enhancement via open-space and biological open-space easements.

PUBLIC SERVICES

Fire and Police

The proposed reorganization area is currently located within the service area of the Deer Springs Fire Protection District (FPD). The locations of existing Deer Springs FPD facilities and response times to the proposed reorganization area were not provided with the proposal submittal. The Deer Springs FPD facility closest to the proposal territory is Station No. 2, which is

located at 1321 Deer Springs Road. According to MapQuest, Station No. 2 is approximately 4.64 miles from the proposal area, with an estimated normal driving time of 8 minutes.

Following the reorganization, the City of Escondido would provide fire protection and emergency medical services to the subject territory from its Fire Station No. 3, Escondido Hills, located at 1808 Nutmeg Street. According to MapQuest, Station No. 3 is approximately 2.45 miles from the proposal area, with an estimated normal driving time of 8 minutes. Response times to the proposed reorganization area from Station No. 3 are estimated at 3-4 minutes for priority calls and 5+ minutes for non-priority calls.

Police protection service is presently provided to the proposed reorganization area by the County Sherriff from its San Marcos Substation, with an estimated 5+ minute response time for priority calls, and 30+ minutes for non-priority calls. Following the proposed reorganization, the City of Escondido would assume the responsibility for provision of police protection services from its station located at 700 W. Grand, with an estimated response time of 3-4 minutes for priority one police calls and 20+ minutes for non-priority calls.

Sewer

The proposal area is not currently located within the service area of a public sewer service provider; the City of Escondido would provide sewer service to subject territory following the proposed reorganization. The City estimates the sewer treatment demand for the proposed development as 10,250 gallons per day (gpd), or 41 equivalent dwelling units (EDUs). The City estimates its available sewer treatment capacity is 4.5 million gallons per day (MGD), or 18,000 EDUs. The proposed sewer connection is approximately 160' to the existing 8" City sewer main within Rincon Avenue.

The City's development agreement has a seven-year term and states that the City will have sufficient sewer treatment capacity to accommodate the proposed development project for a three-year period following the date of adoption of the development agreement ordinance. After the three-year period expires, the City states that *"...if the City has implemented a priority or queue for connecting development projects to the City's sewer and wastewater infrastructure, the City agrees to give Owner priority over other projects that are assigned to the priority or queue system, with respect to connecting the Project's 41 residences to the wastewater system."*

Treatment Capacity

In a letter dated December 8, 2008, the City reported that the current permitted treatment capacity at the Hale Avenue Resource Recovery Facility (HARRF) is 18.0 million gallons per day (MGD), and the current average volume of influent treated at HARRF is 13.5 MGD, or 54,000 Equivalent Dwelling Units (EDU). The City reports that, between January 1, 2008 and June 29, 2008, the average volume of treated influent was 13.7 MGD, and the average volume of treated influent was 14.9 MGD in 2007 and 14.04 MGD in 2006.

The City reported that peak flows occurred on March 1, 2006 (20.4 MGD) and November 30, 2007 (18.7 MGD) due to heavy rains. The City stated that these two events are the only times that the influent flow has exceeded the permitted and design capacity of the HARRF. The City added that the HARRF is designed to handle an instantaneous flow of two times the rated capacity (36 MGD), and that the facility routinely has instantaneous flows greater than 18 MGD.

The City reported that approximately 5,650 EDUs are currently in the design or planning stages, with an estimated sewer treatment demand of approximately 1.413 MGD.

Escondido Land Outfall

The City has reported a current average daily flow in the Escondido Land Outfall as 11.1 MGD and 10.7 MGD for 2007. This figure does not include the flow that is treated to recycled standards and distributed. The City states that, by regulation, it is required to have capacity in the outfall to dispose of the total volume permitted. The City reports that no flows from the HARRF have exceeded the design capacity of the Escondido Land Outfall in the last two years.

The City is considering several options for upgrading the Escondido Land Outfall including: replacement with larger pipe in the existing alignment; installation of a parallel outfall in the existing alignment; installation of a larger outfall in an alternative location; and, pressurization of the existing outfall.

San Elijo Ocean Outfall

The City has reported the current capacity of the San Elijo Ocean Outfall as 25.4 MGD. The City's leased capacity is 79% of the total, or 20.1 MG of instantaneous flow. The City reports the outfall's current peak flow volume is unknown, as there is no flow meter which totals the flow of the Escondido

Land Outfall and the San Elijo Ocean Outfall. The City states that the controlling factor for flow is based on a pressure reading at the San Elijo regulator station. The regulator station will reduce the flow as the pressure nears a set point of 74 to 75 feet of head or approximately 32.5 pounds. The City reports that high pressure readings have been observed in the last 2-½ years. This has been attributed to metering or control issues which have either generated false readings or allowed higher flows than 20.1 MG. According to the City, no spills have occurred during these instances.

The City states that upgrades to the San Elijo Ocean Outfall would be a joint undertaking between the City and the San Elijo Joint Powers Authority (JPA). The City reports preliminary discussions with the JPA on expansion of the ocean outfall are ongoing. The City feels that the ocean outfall would be a logical starting place for expansion either to the HARRF or the Escondido Land Outfall.

Water

The proposal area is located within the service area of the Valley Center MWD; however, only one of the three parcels within the proposal area has an active water meter (APN 187-370-30). The Valley Center MWD states that the three subject parcels may be receiving water service from the single meter on parcel -30, which currently participates in the San Diego County Water Authority (CWA) Special Agriculture Water Rate (SAWR) Program.

The SAWR Program provides a discounted water rate for agricultural users in exchange for a higher level of reductions during supply shortages than regular water customers. The SAWR Program, as of January 1, 2009, provides a discount of $119.92 per acre foot ($.2753/HCF). This discount is derived from participants not paying the full cost of the regional storage program or any of the costs associated with the supplemental supplies developed by the CWA.

The District has stated that the proposal area's total annual water usage was 18.23 AF (acre feet; one acre foot equals 325,860 gallons) in fiscal year 2008-2009, and 33.02 AF in fiscal year 2007-2008. The District estimates the proposed residential development's water demand as 20,000 gpd. Using this estimated daily demand, the proposed residential project's annual water demand would be estimated to be approximately 22.095 AF, or .54 AF per single-family residence per year.

The District reports current area water supply capacity is 2.5 MGD *"provided water supplies are available from the SDCWA"* (San Diego County Water Authority). Valley Center MWD has established conditions for the provision of water service to the proposal area that emphasizes the uncertainty regarding

future water supply availability. The City has reported that reclaimed water is not planned for future distribution to the immediate project area.

Water service for the proposed development would be provided by the Valley Center MWD from existing 8" water mains within North Avenue and Fawn Creek Lane. Construction of a new 8" looped water line to serve the development project will be required by the District as a condition of service. The new water line is proposed to be extended south from the existing main in North Avenue at Cleveland Avenue to Rincon Avenue, then continue easterly within Rincon Avenue across the development project frontage to the existing main at Fawn Creek Lane. The District states that the total distance for connection of the proposal territory to the agency's existing water system is approximately 3,230 feet.

The landowner has provided a County of San Diego Project Facility Availability Form that was completed by the District on April 28, 2009. The form includes attached conditions which state that water facility (pipeline, pumping station, and local storage) capacity is available to serve the proposed development within the next five years. The District's attached conditions also include the following statement:

> *"...given the current and potentially long-term hydrologic, legal, and regulatory conditions negatively impacting quantity and reliability of supplies from the State Water Project and the Colorado River delivered through our sole source suppliers, the Metropolitan Water District and the San Diego County Water Authority,* ***there exists the very real possibility that at any point in the foreseeable future that Valley Center Municipal Water District may <u>not</u> have adequate water supplies available to issue a Project Facility Commitment (PFC), or beyond the PFC, actual water meters to serve this development."***

This uncertainty regarding future water supply for the proposed residential development creates questions as to the appropriate timing of the subject reorganization proposal. If adequate water supply can not be assured for the foreseeable future, the proposal may not be in conformance with Govt. Code § 56668 (k) which requires LAFCO to consider the *"Timely availability of water supplies adequate for projected needs..."*

Local and Regional Water Supply

On June 4, 2008, Governor Arnold Schwarzenegger declared a statewide drought, citing two years of below-average rainfall, very low snowmelt runoff, and the largest court-ordered water transfer restrictions in state history. In October 2008, the state Department of Water Resources (DWR) issued a 2009 water supply initial allocation of 15 percent, the second lowest in the history of the State Water Project, a major San Diego regional water supply source.

On April 14, 2009, the Metropolitan Water District of Southern California (MET), the primary imported water supplier to the San Diego County Water Authority (CWA), announced that it will reduce water deliveries to the region by 13 percent starting July 1, 2009. MET currently provides 71 percent of the San Diego region's water supply.

In response, the CWA Board of Directors declared a Level 2 "Drought Alert" condition on April 23, 2009. The CWA Board also agreed to cut water deliveries to its member agencies by 8 percent effective July 1, 2009. The Level 2 declaration enables the CWA's 24 member retail agencies to adopt and implement mandatory conservation measures.

Valley Center MWD Drought Response

On May 4, 2009, the Valley Center MWD Board of Directors voted to implement Level 2, "Water Supply Shortage Alert Conditions" of the District's Water Supply Shortage Response Program, effective as of July 1, 2009. The Valley Center MWD Level 2 conditions include water demand offset requirements on service commitments and new meters; mandatory use restrictions on landscape irrigation; and voluntary 8 percent reductions in water consumption compared to average consumption during 2005-2007.

Under the Level 2 program, the MWD reports that APN 187-370-30 has an allocation of 34.2 AF based upon fiscal year 2006-2007 usage. The MWD feels that it is unlikely that the proposed residential development would exceed this allocation; therefore, the proposal area may not need to participate in a water demand offset program. The MWD states that the proposed project's water conservation and use report would factor into the District's final decision regarding the potential need for the project to participate in a water demand offset program.

LAFCO Staff Response

The proposed reorganization to the City of Escondido involves the conversion of an active agricultural site to a 41-unit single-family residential development. While the proposal area is currently located within a public water service provider, the Valley Center MWD's uncertainty regarding the availability of water supply sufficient to meet the estimated demands of the new development creates a question as to the appropriate timing of the jurisdictional change.

According to the MWD, the proposal area's water usage has averaged a total of 25.63 AF per year for the last two years, and the proposed development's water demand is estimated at 22.095 AF per year. This potential reduction of

3.53 AF per year would represent an approximate 13 percent drop in estimated water use from 2007-2009 averages; however, all agricultural participants in the SAWR Program were required to accept a 30 percent water supply reduction in 2008, with the potential for additional supply reductions if the drought condition worsens. Therefore, the water demand reduction associated with the proposed project may not be a comparable indication of water usage.

LAFCO is required to address the availability of adequate water supply in the analysis of the proposed reorganization; therefore, the key issue to be clarified by the Special Districts Advisory Committee is whether the uncertainty regarding the availability of sufficient future water supply satisfies the LAFCO review factor regarding the *"Timely availability of water supplies adequate for projected needs..."* (Govt. Code § 56668 (k)).

Agricultural Resources

The proposal territory is currently occupied by a wholesale container stock nursery that produces ornamental landscape plants which are grown in above-ground individual pots and containers. The residential subdivision and development associated with the proposed reorganization to Escondido would convert land currently used for commercial agricultural production to residential uses.

LAFCOs are required to consider how spheres of influence or changes of local governmental organization could affect open space and prime agricultural lands, based on specified criteria. Proposals must be further reviewed for their effect on maintaining the physical and economic integrity of agricultural lands (Govt. Code § 56668).

The City's Mitigated Negative Declaration states that the proposed development site was not listed as Prime, Unique, or Farmland of Statewide Importance as identified in the EIR for the City's General Plan revisions in 2000. The City notes that, "Although the site has been used as a container-stock nursery, the surrounding area has been changing from agricultural-type development to residential development." The City adds that "Grove operations still are located further to the east and southeast within the County", and concludes that "the proposed development would not result in significant individual or cumulative impacts to agricultural resources."

LAFCO Staff Response

Despite the conclusion reached by the City of Escondido, the proposal territory qualifies as *Prime Agricultural Land* under the criteria specified in Govt. Code § 56064 for the following reasons:

- The proposed reorganization area is currently occupied with a container plant nursery that produces agricultural commodities for commercial purposes. The proposal territory has not been developed for a use other than agricultural.

- Irrigation to the proposal territory is feasible and the proposal territory contains soils that qualify as Class I and Class II soils under the USDA Natural Resources Conservation Service land use capability classification.

San Diego LAFCO Policy L-101

LAFCO is directed by State Law to guide development away from prime agricultural lands – unless that action would not promote the planned, orderly and efficient development of an area – and to encourage development of existing vacant or non-prime agricultural lands within a jurisdiction before approving any proposal that would allow development of open-space lands outside of an agency's boundary (Govt. Code § 56377). San Diego LAFCO has adopted Policy L-101 to further the policies and priorities of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding the preservation of open space and prime agricultural lands.

San Diego LAFCO Policy L-101 discourages proposals that would convert prime agricultural or open space lands to other uses unless such an action would not promote the planned, orderly, efficient development of an area, or, the affected jurisdiction has identified all prime agricultural lands within its sphere of influence and adopted measures that would effectively preserve prime agricultural lands for agricultural use.

San Diego LAFCO Procedure

In reviewing how the proposed project may affect the integrity of agricultural lands, the following factors should be considered:

- The proposed reorganization area is not designated for agricultural preservation by adopted local plans.

- Public facilities would be extended through agricultural lands and adjacent to agricultural lands to provide services to the residential development anticipated on the proposal property.

- The west side of the proposal area is adjacent to incorporated urban/residential development.

- The surrounding parcels are within the adopted sphere of influence for the City of Escondido, which was reaffirmed by San Diego LAFCO on March 3, 2008. The surrounding parcels may be expected to be developed to urban uses within the next 5 years; however, the long-term availability of water supply to serve the potential urban development can not be assured at this time.

- The proposal area will be adjacent to existing urban uses on the west side. A strip of dedicated open space with a foot path is proposed to separate the proposal area from the existing urban uses. A water detention basin and two floodways are proposed to be constructed as part of the residential development. This manmade infrastructure will also serve as dedicated open space.

LAFCO STAFF CONCLUSION

The proposed reorganization raises issues regarding the assurance of long-term adequate water supplies from the Valley Center MWD, and the conversion of prime agricultural lands to residential uses. Compelling, overriding reasons justifying the conversion of prime agricultural land to uses other than open space uses have not been provided by the applicant.

The Valley Center MWD has stated that adequate water supplies may not be available to issue a service commitment or provide water meters to serve the proposed residential development *for the foreseeable future*. The proposal territory also meets the qualifications for designation as prime agricultural land, and the proposed reorganization has the potential to adversely affect agricultural resources. The uncertainty regarding future water supply for the proposed residential development and the conversion of agricultural lands to non-agricultural uses creates questions as to the appropriate timing of the subject reorganization proposal.

Accordingly, the Special Districts Advisory Committee should discuss and provide direction on the following:

1. If adequate water supply can not be assured for the foreseeable future, the proposal may not be in conformance with Govt. Code § 56668 (k) which requires LAFCO to consider the *"Timely availability of water supplies adequate for projected needs..."* The Special Districts Advisory Committee is requested to discuss and provide direction on whether the uncertainty regarding the availability of sufficient future water supply satisfies the LAFCO review factor.

2. The Special Districts Advisory Committee is requested to discuss and provide direction regarding the implications of the recent

MET/CWA/Valley Center MWD drought responses on the LAFCO annexation proposal review process.

3. The Advisory Committee is also requested to discuss and provide direction on the proposal's potential effects on maintaining the physical and economic integrity of prime agricultural lands.

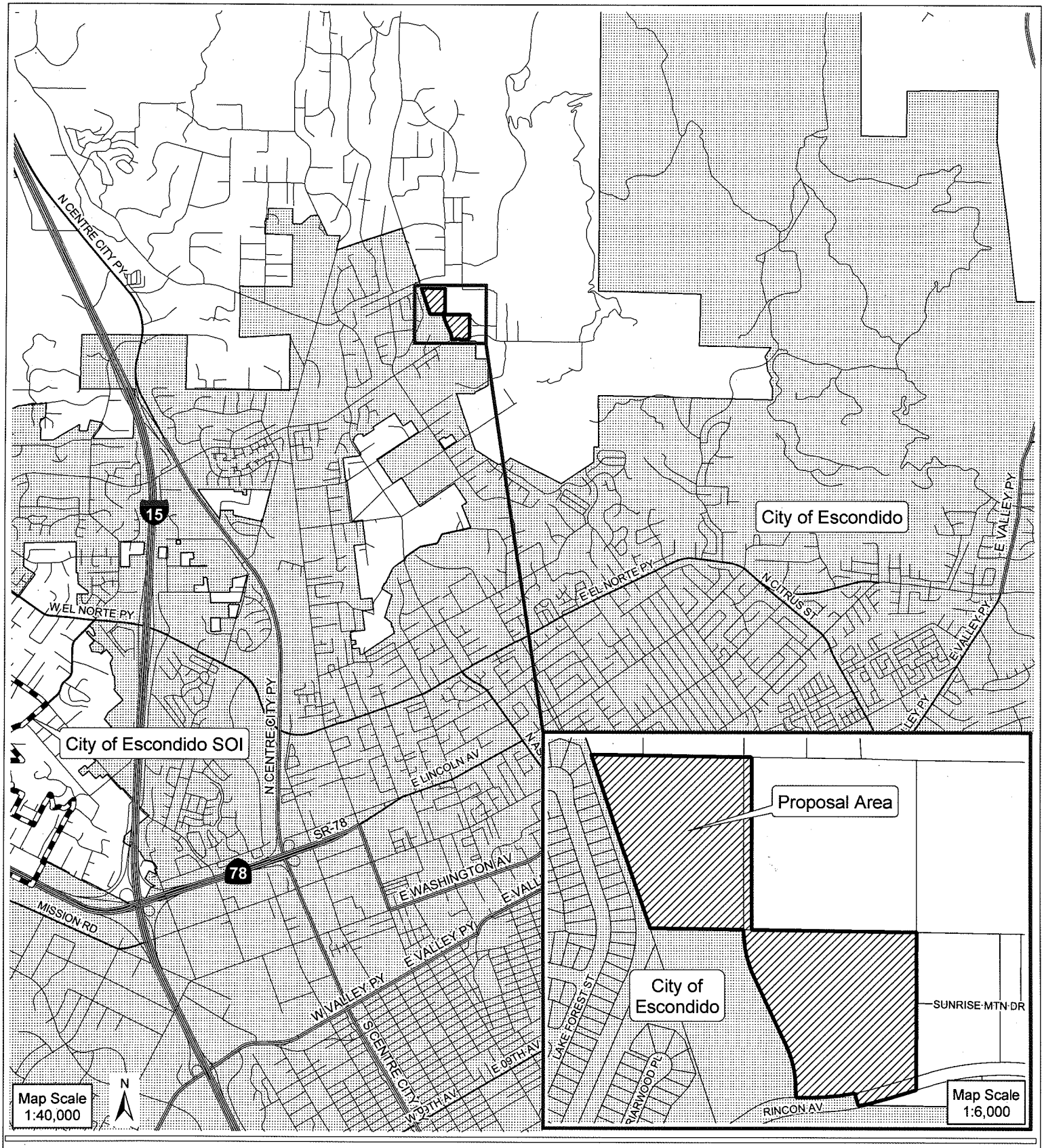
Respectfully submitted,

MICHAEL D. OTT
Executive Officer

ROBERT BARRY, AICP
Local Governmental Analyst

Attachments
Vicinity Map
Valley Center MWD April 28, 2009 service availability form
City of Escondido February 5, 2009 letter
City of Escondido December 8, 2008 letter
Landowner May 4, 2009 letter

MDO:RB:



RO08-26

PROPOSED "RINCON OAKS ESTATES REORGANIZATION" (CITY OF ESCONDIDO)

- Proposal Area
- City of Escondido
- City of Escondido SOI

SOI = Sphere of Influence

SAN DIEGO LAFCO

SanGIS
We Have San Diego Covered!

This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright SanGIS. All Rights Reserved.This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This product may contain information which has been reproduced with permission granted by Thomas Brothers Maps.

C:\GIS\projects\agendamaps2008\08-26.mxd 11/3/08

COUNTY OF SAN DIEGO
DEPT. OF PLANNING & LAND USE
5201 RUFFIN ROAD, SUITE B
SAN DIEGO, CA 92123-1666
(858) 565-5981 • (888) 267-8770

PROJECT FACILITY AVAILABILITY FORM

WATER **W**

Please type or use pen

Rincon Escondido LLC 714-892-0123
Owner's Name Phone

5622 Research Drive, Suite A
Owner's Mailing Address Street

Huntington Beach, CA 92649
City State Zip

ORG VCMWD
ACCT
ACT 01-4433.00
TASK
DATE 3.23.09 AMT $ 50.00
DISTRICT CASHIER'S USE ONLY

SECTION 1. PROJECT DESCRIPTION — TO BE COMPLETED BY APPLICANT

A. ☐ Major Subdivision (TM) ☐ Specific Plan or Specific Plan Amendment
☒ Minor Subdivision (TPM) ☐ Certificate of Compliance:
☐ Boundary Adjustment
☐ Rezone (Reclassification) from to zone.
☐ Major Use Permit (MUP), purpose:
☐ Time Extension...Case No.
☐ Expired Map...Case No.
☐ Other

B. ☒ Residential ..... Total number of dwelling units 41
☐ Commercial..... Gross floor area
☐ Industrial ..... Gross floor area
☐ Other ..... Gross floor area

C. ☐ Total Project acreage 22 Total number of lots 41

D. Is the project proposing the use of groundwater? ☐ Yes ☒ No
Is the project proposing the use of reclaimed water? ☐ Yes ☒ No

Assessor's Parcel Number(s)
(Add extra if necessary)

187			370			30	00	
187			370			01	00	
187			370			65	00	

Thomas Bros. Page 1109 Grid J3
1300 Rincon Ave. Escondido, CA
Project address Street
Community Planning Area/Subregion Zip

Owner/Applicant agrees to pay all necessary construction costs, dedicate all district required easements to extend service to the project and COMPLETE ALL CONDITIONS REQUIRED BY THE DISTRICT.

Applicant's Signature: Date: 3/16/09
Address: 5622 Research Drive, Suite A HB, 92649 Phone: 714-892-0123

(On completion of above, present to the district that provides water protection to complete Section 2 below.)

SECTION 2: FACILITY AVAILABILITY — TO BE COMPLETED BY DISTRICT

District Name: Valley Center Municipal Water District Service area county area of Escondido

A. ☒ Project is in the district.
☐ Project is not in the district but is within its Sphere of Influence boundary, owner must apply for annexation.
☐ Project is not in the district and is not within its Sphere of Influence boundary.
☐ The project is not located entirely within the district and a potential boundary issue exists with the District.

B. ☒ Facilities to serve the project ☒ ARE ☐ ARE NOT reasonably expected to be available within the next 5 years based on the capital facility plans of the district. ~~Explain in space below or on attached ____. (Number of sheets)~~
☐ Project will not be served for the following reason(s):

C. ☒ **District conditions are attached. Number of sheets attached:** one
☐ **District has specific water reclamation conditions which are attached. Number of sheets attached:**
☐ **District will submit conditions at a later date.**

D. ☒ **How far will the pipeline(s) have to be extended to serve the project?** as required for fire protection

This Project Facility Availability Form is valid until final discretionary action is taken pursuant to the application for the proposed project or until it is withdrawn, unless a shorter expiration date is otherwise noted.

Authorized signature: Print name Wally Grabbe
Print title District Engineer Phone (760) 749-1600 Date 4-28-09

NOTE: THIS DOCUMENT IS NOT A COMMITMENT OF SERVICE OR FACILITIES BY THE DISTRICT
On completion of Section 2 by the district, applicant is to submit this form with application to:
Zoning Counter, Department of Planning and Land Use, 5201 Ruffin Road, San Diego, CA 92123

PROJECT FACILITY AVAILABILITY- WATER

EXHIBIT 'A'

APNs: #187-370-30, #187-370-01 and #187-370-65

ITEM I Water facility (pipeline, pumping station, and local storage) capacity is or is anticipated to be available to serve this development within the next five years. However, given the current and potentially long-term hydrologic, legal and regulatory conditions negatively impacting quantity and reliability of supplies from the State Water Project and the Colorado River delivered through our sole source suppliers, the Metropolitan Water District and the San Diego County Water Authority, **there exists the very real possibility that at any point in the foreseeable future the Valley Center Municipal Water District may not have adequate water supplies available to issue a Project Facility Commitment (PFC), or beyond the PFC, actual water meters to serve this development.** Once meters are installed, residents of this property will be required to participate in any future conservation measures that may be adopted by the Valley Center Municipal Water District.

ITEM II ADDITIONAL COMMENTS: (When Applicable)

A. ☐ There is a possibility of low water pressure on this property.

B. ☒ Relocation of existing Valley Center Municipal Water District facilities may be required.

C. ☒ All onsite, ingress/egress and/or utility easements shall be dedicated to Valley Center Municipal Water District on the Final Map.

Any additional offsite easements that are required for the project shall be granted to Valley Center Municipal Water District prior to approval of the project's improvement plans.

D. ☐ OTHER

ESCONDIDO
City of Choice

Jonathan H. Brindle, AICP
Director of Community Development
Planning Division
(760) 839-4671, FAX (760) 839-4313

February 5, 2009

RECEIVED
FEB - 6 2009
SAN DIEGO LAFCO

Mr. Robert Barry
LAFCO
1600 Pacific Highway, Room 452
San Diego, CA 92101

Subject: Rincon Oaks Estates – Proposed 42-Lot Residential Subdivision (Escondido Tract 892) Reorganization (LAFCO File No. RO08-26)

Dear Mr. Barry:

I have provided the following response to the additional information requested in LAFCOs letter dated January 26, 2009, regarding potential impacts to open space and prime agricultural lands.

1. The subject parcels currently are used as a wholesale container stock nursery (Pacific Paradise Nursery) and all of the plants on the site are used for ornamental landscape purposes and are grown in individual pots. The existing soils are not irrigated. The land is not planted with fruit or nut-bearing trees, vines, bushes, or crops. The property has not been left fallow under a crop rotational program, or enrolled in an agricultural subsidy or set-aside program. The property is not under a Williams Act contract. The land does not support any livestock used for the production of food of fiber.

2. The City's General Plan land-use designation for the subject site is Estate II and Suburban, which anticipates single-family residential and estate development. The site has not been identified for future use as passive or active open space or recreational areas. The site also is not identified for preservation in the Draft Multiple Habitat Conservation Program Subarea Plan (MHCP). The proposed project has been designed in accordance with the underlying land use designated for the project area and with Clustering provisions with lot sizes ranging from approximately 8,408 SF to 18,945 SF. Approximately 5.81 acres of open space would be provided as part of the project design. The clustering design would not increase the overall density of the site, but would allow for reduced lot sizes, larger open space lots, and the preservation/enhancement of the on-site drainage courses and biological resources. General Plan Agricultural policies support existing agricultural activity and land use in the community while planning for possible transition to urban uses in a manner which is consistent with the policies of the Land Use Element and Community Facilities Element of the General Plan.

3. The 2008 Farmland Mapping and Monitoring Program (FMMP) maps published in August 2008 by the California Department of Conservation Division of Land Resource Protection does not identify the subject site as "Prime Farmland" or "Farmland of Statewide Importance." The Important Farmland Maps are compiled by the FMMP pursuant to Section 65570 of the California

Lori Holt Pfeiler, Mayor Dick Daniels, Mayor Pro Tem Marie Waldron Sam Abed Olga Diaz

Government Code. Soil units qualifying as Prime Farmland or Farmland of Statewide Importance are determined by the U.S. Department of Agriculture-Natural Resource Conservation Service (NRCS) soils survey data. This map can be viewed on the State of California Department of Conservation website. The site also is not listed as Prime or Farmland of Statewide Importance as identified in the General Plan Final EIR (Figure 5.12-3 – April 2000) which was prepared for the City's most recent General Plan revisions in 2000.

The subject site is listed as "Unique Farmland" on the most current 2008 FMMP maps. Unique Farmland is land that does not meet the criteria for "Prime Farmland" or "Farmland of Statewide Importance" that is currently used for the production of specific high economic value crops. Unique Farmland consists of lesser quality soils used for the production of the States leading agricultural crops. This land is usually irrigated, but may include non-irrigated orchards or vineyards as found in some climatic zones in California. Land must have been cropped at some time during the four years prior to the mapping date. The subject property has not been cropped during the past four years prior to the mapping date. It has been used as a wholesale plant stock nursery with the plants grown in above-ground containers.

Please call me at (760) 839-4537 or e-mail at jpaul@ci.escondido.ca.us if you have any questions or need additional information regarding the project.

Sincerely,

Jay Paul
Associate Planner

cc: Bonanni Development, Inc. Jeanice McFall, 5622 Research Drive, Suite A, Huntington Beach, CA 92649
John Masson, Masson & Associates, 200 E. Washington Ave. Suite 200, Escondido, CA 92025-1816

ESCONDIDO
City of Choice

Jonathan H. Brindle, AICP
Director of Community Development
Planning Division
(760) 839-4671, FAX (760) 839-4313

December 8, 2008

RECEIVED
DEC 09 2008
SAN DIEGO LAFCO

Mr. Robert Barry
LAFCO
1600 Pacific Highway, Room 452
San Diego, CA 92101

Subject: Rincon Oaks Estates – Proposed 42-Lot Residential Subdivision (Escondido Tract 892) Reorganization (LAFCO File No. RO08-26)

Dear Mr. Ott:

I have provided responses to LAFCOs Subject Agency Supplemental Information Form regarding jurisdictional information, water and sewer service to the proposed project. The jurisdictional information and sewer responses were prepared by the City of Escondido Utilities Department, and the water responses were prepared by the Valley Center Water District.

Jurisdictional Information

1. *Is the proposed territory within the agency's sphere of influence?* Yes, within the City of Escondido Sphere of Influence.

2. *Upon annexation, will the proposed territory be included within an assessment district and be subject to assessment for new or extended services?* No.

3. *Does the agency have plans to establish any new assessment district that would include the proposed territory?* No.

4. *Will the territory assume any existing bonded indebtedness?* Yes, $35.00 per $100,000 of assessed valuation for construction of a joint police – fire facility, and additional fire stations.

5. *Will the proposed territory be subject to any taxes, benefit charges or fees?* Yes. Any additional costs due to the location within the North Broadway Critical Deficiency Area is identified in the Development Agreement for the project and agreed to by the project applicant.

6. *Is the agency requesting an exchange of property tax revenues as a result of this proposal?* Yes

7. *Is this proposed jurisdictional change subject to a master property tax agreement or master enterprise district resolution?* Yes

8. *For City Annexations: Does the proposed territory contain existing commercial development that generates retail sales of ten million dollars or more per year?* No. The site currently is used as a

Lori Holt Pfeiler, Mayor Sam Abed, Mayor Pro Tem Ed Gallo Marie Waldron Dick Daniels

container plant nursery (Pacific Paradise Nursery) which is proposed to be removed with this development.

9. *For City Annexations: Williamson Act* - The property is not under a Williams Act contract.

Sewer Service

1. *What is the agency's current wastewater treatment capacity?* The current permitted treatment capacity is 18.0 MGD.

2. *What is the average volume of influent currently being treated by the agency?* The current average volume of influent treated at the HARRF is 13.5 MGD or 54,000 Equivalent Dwelling Units (EDUs).

3. (a) *What is the agency's peak flow volume?* 18.0 MGD

   (b) *What is the agency's peak flow capacity?* 21 MG. The plant is designed to handle an instantaneous flow of two times the rated capacity (36 MG).

   (c) *Has the agency exceeded the flow (peak) capacity within the past two years?* Yes.

   (d) There have been two events in the last 2.5 years where the influent flow exceeded the permitted and design capacity of the HARRF (18 MGD). Both were related to wet weather events.

   Peak Flows:
   1. March 1, 2006 – Total influent flow = 20.4 MGD. Heavy rain on 2-28-06.
   2. November 30, 2007 – Total influent flow = 18.7 MGD. Heavy rain on 11-30-07.
   3. January 1, 2008 – present = 0 events

4. (a) *Has the agency issued a letter of sewer availability for the proposed territory?* Yes

   (b) The terms of providing sewer service are detailed in the Development Agreement for the project, which was approved by the Escondido City Council.

5. (a) *How many future equivalent dwelling units have been reserved or committed for proposed projects:* The number of projects that are in construction, design, or are in the design process is approximately 5,650 EDUs.

   (b) *Can all projects that have received commitments of sewer availability be accommodated with planned capacity?* Yes

6. (a) *Does the agency have the necessary contractual and/or operational treatment capacity to provide sewer service to the proposed territory?* Yes

(b) The proposed territory's estimated sewer demand is approximately 10,250 gallon per day or 41 EDUs. The present available capacity is 4.5 MGD or 18,000 EDUs.

7. *Will the proposed territory be annexed to a sewer improvement district?* No.

8. (a) *The distance for connection of the proposed territory to the agency's existing sewer system is* approximately 160 feet. An existing 8" sewer main is located to the west of the project site within Rincon Avenue.

   (b) *Describe the location of the connection to the agency's existing sewer system:* Public sewer is available from existing mains to the west of the project's southwestern boundary within Rincon Avenue. The project fronts onto Rincon Avenue on the south, and is required to extend the roadway across the project frontage. The project applicant is required to extend sewer to the property and through the project site.

Water Service

1. (a) Does the subject agency have adequate water supply and sufficient contractual and/or operational capacity available to serve the proposed territory? Yes

   (b) Describe the proposed territory's estimated water demand and the agency's available water supply and capacity: 0.02 mgd demand. Area capacity of 2.5 mgd provided water supplies are available from SDCWA.

2. *Specify any improvements (on and off-site) that will be necessary to connect and serve the anticipated development.* The applicant has entered into an agreement with the Valley Center Municipal Water District to provide water service to the project. An eight-inch looped system will be required through the project to provide a redundant water source and required fire supply. The developer will be required to make all necessary arrangements, including meter exchange agreements between the two agencies to receive water from the Valley Center Water District. Any extensions and upgrades will be funded by the project applicant/developer.

3. (a) *Has the agency issued a letter of water availability for the proposed territory?* Yes.

   (b) The Valley Center Water District issued a water service availability letter in 2003 for the proposed project. The District will require a new copy of the tract map if any changes are made since it was approved by the Planning Commission on 6-10-08, and a check for $50 to complete the new availability letter.

4. (a) The distance for connection for the proposed territory to the agency's existing water system is approximately 3,230 feet. The proposed 8 inch water line for the project will be required to extend from the existing 8 inch water main in North Avenue at Cleveland Avenue (approx. 920 feet to the north of the project boundary) and then continuing in Rincon Avenue across the project frontage to the existing 8 inch water main at Fawn Creek Lane on the east.

(b) Connections are required at North Avenue to the north and Rincon Avenue on the south.

5. (a) *Is the agency currently under any drought-related conditions and/or restrictions?* Yes

   (b) The agency is under a 30% Interim Agricultural Water Program Reduction.

6. (a) *Will the proposed territory utilize reclaimed water?* No.

   (b) N/A

   (c) N/A

   (d) N/A

   (e) *Consideration of availability of reclaimed water to the proposed project?* No. The existing reclaimed water system in the North Broadway area is provided by the City of Escondido. Reclaimed water is not planned for future distribution to the immediate project area. Reclaimed water has been extended to the Brookside Planned Development located at the northeastern corner of Broadway/Rincon Avenue as part of the Reidy Creek Golf Course. However, reclaimed water is not planned to be extended any further to the east (answer provided by the City of Escondido).

   (f) *What restrictions prevent the use of reclaimed water?* VCMWD does not have recycled water available in the vicinity of the proposed territory.

7. *Will the proposed territory be annexed to an improvement district?* No.

Please call me at (760) 839-4537 or e-mail at jpaul@ci.escondido.ca.us if you have any questions or need additional information regarding the project.

Sincerely,

Jay Paul
Associate Planner

Attachments: LAFCO letter requesting Supplemental Information dated October 31, 2008 (supplemental pages 10-12).
Valley Center Municipal Water District "Will Serve Letter of Availability" dated April 25, 2003.
Valley Center Municipal Water District letter regarding hydraulic analysis for the project, dated Sept. 3, 2003.
Valley Center Municipal Water District letter dated December 4, 2008, and completed LAFCO Supplemental Information page 12 of 12.

cc: LAFCO, Robert Barry, 1600 Pacific Highway, Room 452, San Diego, CA 92101
Bonanni Development, Inc. Jeanice McFall, 5622 Research Drive, Suite A, Huntington Beach, CA 92649

RINCON ESCONDIDO LLC

5622 Research Drive, Suite A
Huntington Beach, California 92649
(714) 892-0123

RECEIVED
MAY 0 6 2009
SAN DIEGO LAFCO

May 4, 2009

Robert Barry
LAFCO
1600 Pacific Highway, Room 452
San Diego, CA 92101

Reference: Rincon Escondido Project

Dear Mr. Barry,

I'm writing in response to the preliminary staff conclusion. I would like to start by addressing Govt. Code 56016. The current use of the property is for a container stock nursery only. There is no stock that is grown in the ground. All the containers are resting above ground. There is nothing on the property that is used for human consumption.

When we vacate the property we will be moving the architectural containerized nursery stock off the site. We will not be ripping anything out of the ground. The property will retain 5 - 48" Englemann Oak box containers from the architectural containers stock. We also are leaving 1.6 acres of dedicated open space in its existing condition.

Govt. Code 56064 does not pertain to our property.

If you have any questions please don't hesitate to contact me. Thanks for your help.

Sincerely,

Jeanice McFall