CITIES ADVISORY COMMITTEE MEETING

SEPTEMBER 17, 2026

SAN DIEGO LAFCO EST. 1963

LOCAL AGENCY FORMATION COMMISSION

Cities Advisory Committee Meeting
Agenda Item 4a

Municipal Service Review
CARLSBAD SUBREGION

Part I — City of Carlsbad & Carlsbad Municipal Water District

Michaela Peters, Analyst II
with **Adam Wilson**, Consultant

September 17, 2026

MSR Recap

Formally Accepted - June 2026

Sphere Amendments - August 2026
Spheres reaffirmed; SR-78 study areas established

WHERE WE'D LIKE YOUR FEEDBACK

1. **Scope and scale of the service evaluations**
2. **Level of financial and governance analysis**
3. **Timing and manner of engagement and data requests**
4. **How we frame determinations and recommendations**

Framing the Carlsbad MSR

EARILER MSRs

Cataloguing services

Who provides what service, where, at what capacity, and at what cost.

Important work - and largely descriptive.

TODAY's MSR

Making sense of them

Whether services are sufficient to meet community needs today and into the future - and what policy issues sit behind the numbers.

Building the Carlsbad MSR

Before the drafting begins...

1

A workplan priority

The review begins as a priority project in the Commission's workplan.

2

Scoped by the Executive Officer

To the level of detail needed to inform the Commission's sphere updates.

3

Project teams on both sides

LAFCO staff and Consultants + City staff.

4

Kickoff, then City Council

Kickoff meeting + optional presentation to Council.

Scoping is where your city has the most influence over its own review.

From Drafting to Adoption

Nov 2025

1

Administrative draft sent to the City

60-Day Review

2

Administrative review period

April 2026

3

First draft to the Commission

45-Day Review

4

Formal public comment

June 2026

5

Approval of Recommendations

The agency sees it first

The 60-day administrative review is the City's chance to review before the Commission and public.

Every comment is considered

Technical corrections and fair pushback alike.

Creating Structure + Rules

Set before we reach a single observation, recommendation, or determination

LOOKING BACK

A five-year data window

Fiscal years 2019-2023 for Carlsbad, from the most recent audited financials available - using five-year averages so one unusual year doesn't skew the picture.

LOOKING FORWARD

A benchmark through 2031

Any sphere, boundary, or out-of-agency service proposal inconsistent with the findings needs an addendum or a new review. This is where the MSR gets its weight.

Applying the Rules + Benchmarking Services

Every function gets the same three-part look

Resources

budget, staffing, rates

Capacity and demand

what the system can handle vs. what is asked of it

Performance

whether those two actually sync up

WASTEWATER: LOOKING BEHIND THE FIRST NUMBER

60% of treatment capacity used at the Encina plant

Ex. wet-weather flows rising much faster than dry-weather flows, and a $112 million pipeline replacement program depends entirely on continued operating surpluses. The issue isn't capacity - it's aging infrastructure, and how to pay for it.

COMMUNITY DEVELOPMENT + ORDERLY GROWTH

A city shifting from building out to building in

-90% subdivision map activity

+48% discretionary planning applications

4x engineering plan reviews

HOUSING PERFORMANCE

74% of allocation met

Against 59 percent countywide - Carlsbad is doing its part in the aggregate.

5% of the very-low target

The City zoned for housing at every income level - the breakdown occurs downstream, in home values up more than 60 percent and voucher subsidies up 26 percent.

A traditional review might present each of those numbers separately. We try to connect them.

Closing + Discussion

Spheres and study areas

Reaffirmed for both agencies, with special study areas along State Route 78 - plus an offer to help convene conversations on McClellan-Palomar Airport.

The document of record

Through 2031, any boundary change or out-of-agency service request is evaluated against it.

A template

The approach carries forward as we continue the program.

WHERE WE'D LIKE YOUR FEEDBACK

1. **SCOPE AND SCALE**
   of the service evaluations
2. **LEVEL**
   of financial and governance analysis
3. **TIMING AND MANNER**
   of engagement and data requests
4. **HOW WE FRAME**
   determinations and recommendations

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Legislative Proposal Update
UC BERKELEY INITIATVE

Priscilla Mumpower

September 17, 2026

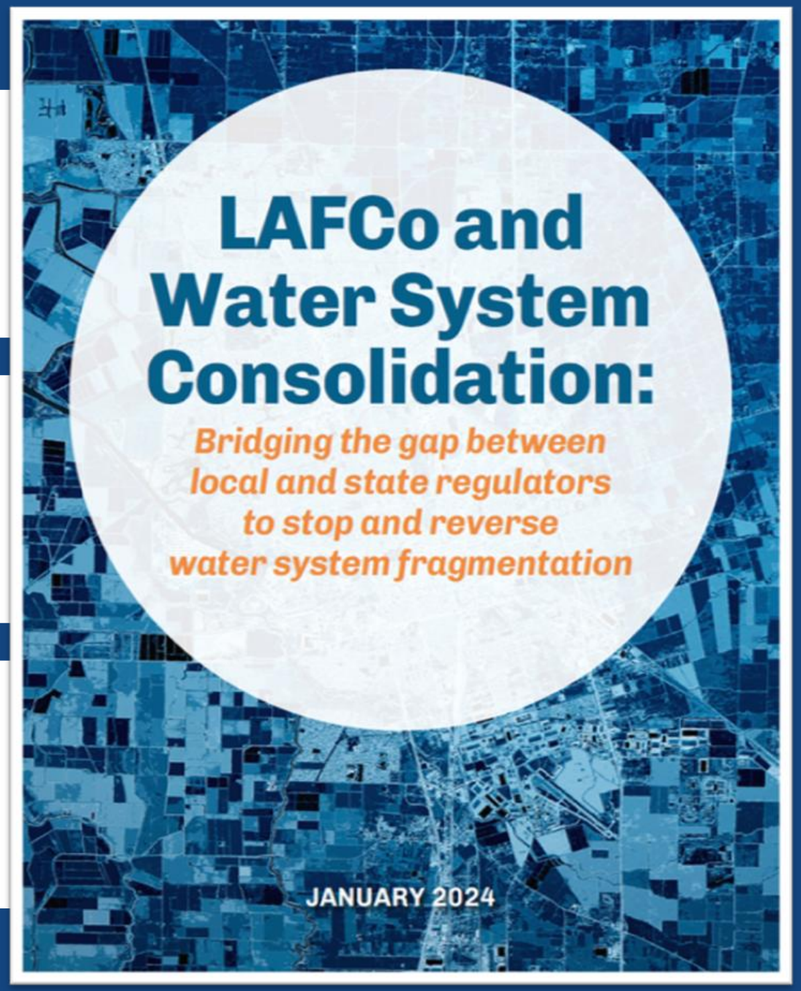
Origins of Proposal

January 2024 UC Berkeley report examined opportunities to improve coordination between LAFCOs and State water regulators.

Report Focus: Improve public water systems through consolidations with emphasis on underserved communites.

Key Recommendations: Regular communications between LAFCOs and State water regulators.

MSR Importance: Well-funded MSRs to identify and prioritize consolidations, small system mergers, and seek annexation authority.



Joint Legislative Group

- **Kristin Dobbin,** Assistant Professor, U.C. Berkeley
- **Justin McBride,** PhD Candidate in Urban Planning, U.C. Los Angeles
- **San Diego** LAFCO
- **Orange** LAFCO
- **Napa** LAFCO
- **Sacramento** LAFCO
- **Alameda** LAFCO
- **Butte** LAFCO
- **Santa Cruz** LAFCO
- **Community Water Center**
- **Leadership Counsel for Justice and Accountability**

Original Legislative Proposal

- **LAFCO-Initiated Remedies**
  - Authorize LAFCOs to initiate annexations or approve outside water or wastewater service extensions to address documented public health or safety threats. Initiation would begin the statutory process; it would not guarantee approval of an annexation or service extension.

- **Municipal Service Review Engagement**
  - Require LAFCOs to perform and document community outreach before taking final actions; and
  - Require subject agencies to respond to MSRs after their own agenda noticing to increase public and local agency engagement.

- **Mobile Home Park Water Systems**
  - Amend the definition of mutual water companies to include mobile home parks that operate community water systems, thereby requiring these entities to file service information with LAFCOs.

Commission Direction

- The Commission considered the proposal in February 2026
- Community members expressed concern that expanded initiating authority could fast-track annexations
- Questions also arose about whether communities could be compelled to annex into cities or special districts
- **The Commission directed staff to conduct additional outreach before pursuing legislation**

Restarting with New Approach

- Reconvene the original legislative coalition
- Engage statewide city, water, and special district organizations
- Expand outreach to local agencies and affected stakeholders
- Refine the statutory language and potential safeguards
- Identify areas of support, concern, and potential compromise before seeking authorship in 2027

Questions for the Advisory Committee...

01 LAFCO Authority

What conditions and documentation should trigger LAFCO initiating authority? Who should make that determination?

02 Role of Receiving City

What role should the receiving city have, including consultation, consent, and cost considerations?

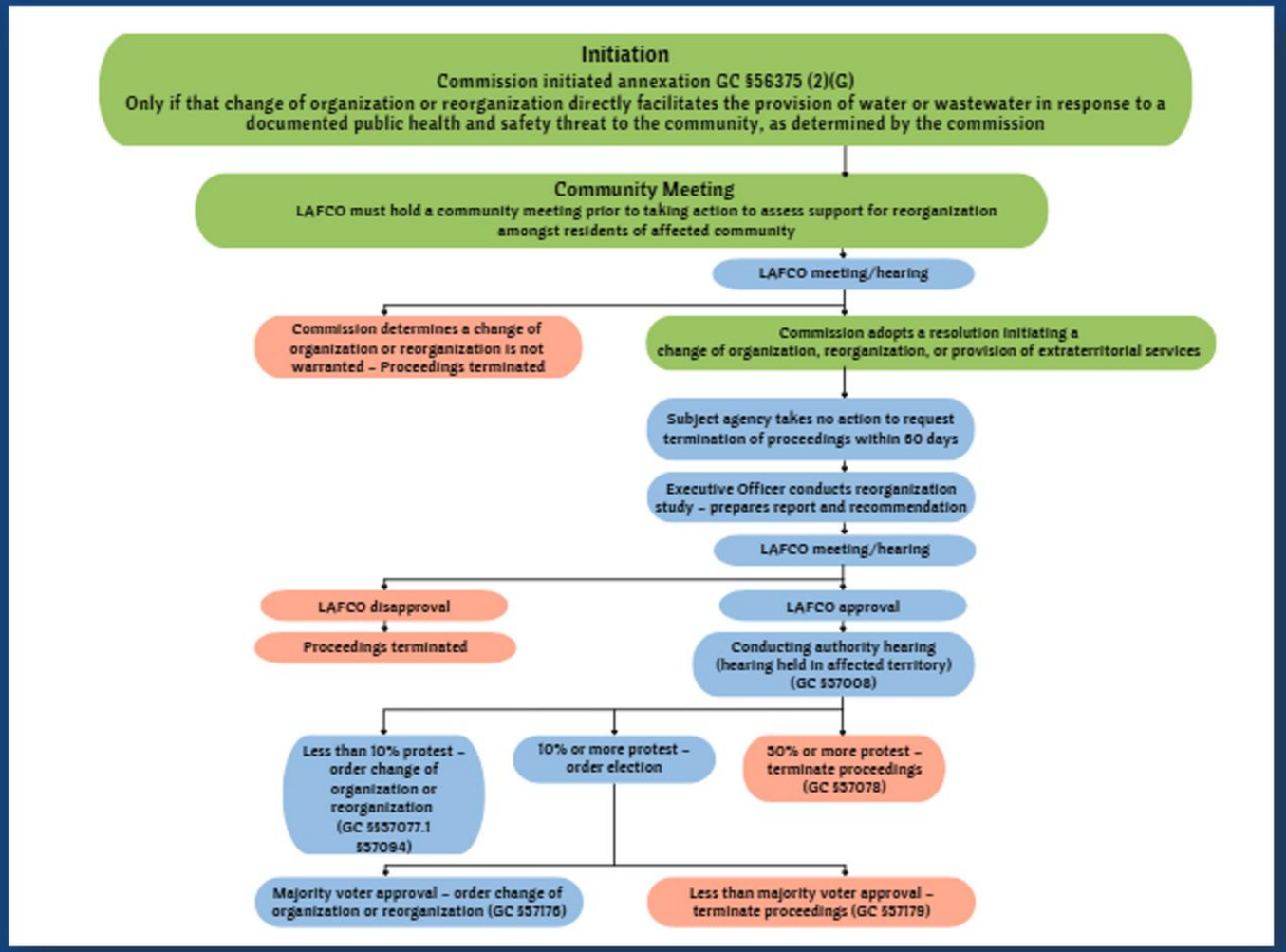
03 Service Extension Circumstance

Should an outside service extension be considered before annexation or only if an extension proves insufficient?

04 Responses to MSRs

Whether requiring agencies to respond to MSRs at a noticed meeting is workable, and what timing or format would make those responses meaningful rather than perfunctory?

Empowering LAFCOs to Initiate Jurisdictional Changes (Under Certain Circumstances)



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Adopted Rolling Five-Year STUDY SCHEDULE

Priscilla Mumpower

September 17, 2026

Adopted Five-Year Rolling Study Schedule

Advances planning horizon by one year

- FY 2026-2030 ⟶ FY 2027-2031

Framework remains unchanged

- Years 1 - 2: Authorized & funded studies
- Years 3 - 5: Long-range planning horizon

Reflects:

- FY 2026-27 adopted workplan
- Recently completed studies
- Prior Commission direction
- Evolving service delivery models

Serves as a planning tool for scheduling studies that inform statutorialy required sphere of influence updates

Years 1-2 (FY2027-FY2028): Authorized & Funded Studies

Carlsbad + Encinitas Region

- ~~Part I: Carlsbad~~
  - ~~City of Carlsbad~~
  - ~~Carlsbad MWD~~
- **Part II: Encinitas Subregion**
  - City of Encinitas
  - Leucadia WWD
  - Olivenhain MWD
  - San Dieguito WD

San Marcos + Vista Region

- **Part I: San Marcos Subregion**
  - City of San Marcos
  - Vallecitos WD
  - San Marcos FPD
- **Part II: Vista Subregion**
  - City of Vista
  - Buena SD
  - Vista ID

San Diego County Healthcare Services

- **Part I: Healthcare Districts**
  - Palomar HD
  - Tri-City HD
  - Fallbrook HD
  - Grossmont HD
- **Part II: Quasi Public Providers**
  - Sharp San Diego
  - UC San Diego
  - Other Community Providers

~~Wholesale Water Service Providers~~

- ~~San Diego County Water Authority~~
- ~~Metropolitan Water District of Southern California~~

City of San Diego

South Coast Region

- **Part I: Cities**
  - City of Chula Vista
  - City of National City
- **Part II: Special Districts**
  - South Bay Water
  - Sweetwater Authority
  - Bonita-Sunnyside FPD
  - Sweetwater FPD

Del Mar + Solana Beach Region

- City of Del Mar
- City of Solana Beach
- Santa Fe ID

San Diego Association of Governments (SANDAG)

San Diego Unified Port District

Years 3-5 (FY2029-FY2031): Long-Range Planning

2028–2029: TENTATIVE

SOUTHWEST COUNTY FOCUS

Rancho Santa Fe Region

- Fairbanks Ranch CSD
- Questhaven MWD
- Rancho Santa Fe CSD
- Rancho Santa Fe FPD
- Whispering Palms CSD

San Diego County Wastewater JPAs

- Encinitas JPA
- San Elijo JPA
- Metro JPA

Silver Strand Cities

- City of Coronado
- City of Imperial Beach

Public Transit Services

- North County Transit District
- Metropolitan Transit Service

Cemetery Services

- North County CD
- Pomerado CD
- Ramona CD
- Valley Center CD
- Other

REVIEWS SHIFTED TO FY 2029

- Rancho Santa Fe Region
- Wastewater
- Silver Strand Cities
- Public Transit Services

EXPANDED & ADVANCED

- Cemetary Services Review

Years 3-5 (FY2029-FY2031): Long-Range Planning

2029–2030: TENTATIVE

EAST COUNTY FOCUS

Otay WD

La Mesa – Lemon Grove Region
- City of La Mesa
- City of Lemon Grove
- Lemon Grove SD

El Cajon – Santee Region
- City of El Cajon
- City of Santee

South East County Water Districts
- Lakeside WD
- Helix WD
- Padre Dam MWD

East County FPDs
- Lakeside FPD
- San Miguel Consolidated FPDs
- Alpine FPD

San Diego County Sanitation District

Countywide Recycled Water Services

San Diego County Airports

Metropolitan Water District of Southern CA

Countywide Police Protection Services

2030–2031: TENTATIVE

MISCELLANEOUS

Countywide Fire Protection Services
(Fire, Rescue, and EMS)

San Diego County Water Authority

County Service Areas
- CSA 17 – Ambulance, San Dieguito
- CSA 26 – Parks and Recreation, Rancho San Diego
- CSA 81 – Parks and Recreation, Fallbrook
- CSA 83 – Parks and Recreation, San Dieguito
- CSA 122 – Infrastructure Planning, Otay East
- CSA 128 – Parks and Recreation, Spring Valley
- CSA 135 – Regional Communications, Countywide
- CSA 136 – Flood Control and Drainage, Lakeside
- CSA 137 – Retail Water Services, Live Oak Springs
- CSA 138 – Parks and Recreation, Valley Center

San Diego County Flood Control District

Pauma Valley Region
- Mootami MWD
- Rincon Ranch CSD
- Pauma CSD
- San Luis Rey MWD
- Yuima MWD

Borrego Region
- Borrego WD
- Coachella Valley WD

East Laguna Summit Region
- Canebrake WD
- Descanso WD
- Jacumba CSD

Geological Hazard Abatement Districts
- Casa de Playa Geologic Hazard Abatement District
- Oceanus Geologic Hazard Abatement District

Mosquito Abatement + Vector Services

NEW STUDY
- Mosquito Abatement & Vector Services

RE-PROGRAMMED STUDIES
- Metropolitan Water District (Year 4: FY2030)
- San Diego County Water Authority (Year 5: FY2031)

Proposed Rolling Study Schedule

Balanced Pogramming

NEAR TERM: absorbable

Carlsbad Subregion MSR
completed

Wholesale Review
reprogrammed

Four studies shifted to FY 2029

LONG RANGE: appropriate

SOI alignment maintained on the cycle
State law contemplates

Expansion of studies respond to evolving service models

Stable wholesale boundaries

Future authorization of MSR initiation required

Our purpose today…

Presented to the Committee for information with an opportunity to advance formal comments and/or recommendations to the Commission as needed.

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